

onus

The Barrell 熱。指揮於大力。 1 # 41. Not . tribus. 馬斯德 医神经 Page V No (F) X: 👣 🗸 weiter is 👢 R. Styr. A Section . a ir ja I direction .

nt California kent to the Mirate and I Branch Co. # F1 13 loteis Hospis Land

With the second har significant **衛生性** (西海山) (古為) Charles and the second Entra भै स्वतंत्रम् २ स ५४५ (I state to a larger E William Here with a **₩** C22 क्षेत्रक भारत 直接19年17日 📆 Ping Syri

Biology of the English 1 Ga 🕝 31500 4.5 東本 シベ **5** March 1

> -7-12 والمواطقون

R OTHER RATES

Germany: 10 yr Bond , 103.30 (103.54) Japan: 10 yr JGB ... 104.1885 (104.238) Tokyo close: Y 120.28



FINANCIAL

A slowly dawning awareness

The US and Emu

Page 3 .



TUESDAY MARCH 4 1997

Alternative fuels

Pressure on petrol and diesel

Technology, Page 24



Standing on the threshold

Survey, separate section

World Business Newspaper http://www.FT.com

Portugal

gas arrives

Natural

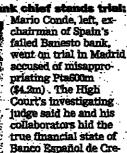
Thailand halts trading in financial stocks

Dealing in banking and other finance stocks was suspended in Bangkok as the Bank of Thai-land ordered banks and finance companies to raise provisions for dubious loans and asked 10 finance companies to boost capital to lift shaky confidence in the industry. Finance minister Ameniay Virguan estimated that the 15 domestic

hanks would need to set aside an extra Baht 24bn (\$930m) of provisions for loans not serviced for more than three months, while finance companies would have to raise another Baht 26bn of provisions. Page 16; Deadly financial cocktail, Page 4; Editorial Comment, Page 15; Lex, Page 16

Washington warns Beijing: Senior US treasury official Lawrence Summers warned Beijing that any mishandling of Hong Kong's transition to Chinese sovereignty would harm its own interests as well as the territory's economy. He also said China's plans to replace the existing legislature and amend civil liberties laws had raised concerns. Page 4

Former Banesto bank chief stands trial:



dito Banesto, which

in 1993, and were to

had a Ptas605bn deficit

blame for the bank's crisis. Page 2 Move on Peru hostages: Peru's President Alberto Fujimori said Cuba had agreed to offer asylum to Marxist rebels holding 72 hostages in Lima should Japan and Peru formally request this. Earlier a Madrid spokesman for the rebels said they would not accept exile. Earlier report,

Page 5 Albanian leader re-elected: Embattled President Sali Berisha was re-elected for a second term by Albania's parliament as the authorquell civil unrest. Page 16

Page 17; Details, Page 23 Quake toll rises: The death toll from an earthquake in north-west fran rose to 965 as rescue workers searched the region to assess damage from a second quake to bit the area in two

days, About 40,000 were left homeless. Pakistan train crash: At least 126 people were killed in Pakistan when a runaway passen ger express crashed after being diverted to avoid a head on collision with another express near the town of Khanewal. The diverted train hit the buffers at the end of a dead end spur line.

HSBC 23% ahead: London-based international bank HSBC Holdings forecast a challenging year ahead as it reported a 23 per cent rise in 1996 profits to £4.52bn (\$7.8bn). Chief executive John Bond said HSBC wanted to

Page 17; Lex, Page 16 Malaysia telecoms: A consortium led by SBC Communications of the US was poised to take a 30 per cent of Telkom, South Africa's

make insurance an international core activity.

national operator. Germany's Deutsche Telekom withdrew at the last minute. Page 17 Move on money laundering: Tax evasion should be included in all extradition treaties to step up the fight against drug trafficking and

money laundering, according to the UN agency

for monitoring the drugs trade. Page 16 Only posing, officer: Chilean police stopped 49 motorists in Santiago for using cellular phones while driving, only to find that a third were pretending to talk on take phones, a local newspaper said.

Corrections On Saturday we incorrectly referred to a loss on copper trading by Sumitomo Trust. The loss was made by Sumitomo Corporation, not by Sumitomo Trust and Banking Company or Sumitomo Trust International which are completely different entities. We apolorise for the error.

FT.com: the FT web site provides online news,

comment and analysis at http://www.FT.com # STOCK MARKET HUDICES # GOLD Europe and Far Bust CACAO 200 2006.26 close \$362.75 (358.65) E DOLLAR New York kinchtime £1,6173 DM1,8977

FR __5.7205 SFr __1.47735 London: 2 _____1,6196 (1.6315) DM __1.8834 (1.8862) Fix __5.7192 (5.8873) SF: __1.4757 (1.475) 120.825 1120.69

Brent Cadar \$19.03 (19.41) DM _2,7425 (2.7542



World Track Nava

Intl. Cap Mids.

FTSE Acts FTSE Actories _____34
FT/SPA Wid Indices__38
Foreign Exchanges ___27

AT&T says profits to fall by 30% Walter vows \$2.6bn in cuts over two years

Telegraph, the biggest US teleapparent to Mr Robert Allen, Editorial Comment. chairman, as part of a manage-

by predicting its earnings would fall by as much as 30 cant" changes in the AT&T culture, and a shake-up in its per cent this year. The news underlined the growing pressure on AT&T organisation to make it more responsive to its customers from intense competition in its and to changes in telecoms traditional markets, as well as the huge investments it faces markets.

to revamp its systems. The warning came as Mr full-scale presentation to investors and analysts since becoming president in January. The former printing com-

Basking Ridge, New Jersey

American Telephone &

communications carrier, surprised Wall Street yesterday ment overhaul. Mr Walter promised "signifi-

To get its earnings growing again, he also promised \$2.6bn John Walter made his first of savings in the next two years from a review of all aspects of the company's

Addressing about 200 people pany executive was appointed at AT&T's headquarters in

New Jersey, Mr Walter pre-

tually come through with strong earnings. He said that by 2001 the company would make twice what it will earn in 1997.

dicted that AT&T would even-

However, the gloomy short-term forecast marked a further piece of bad news from a company that was forced to issue two earnings warnings

AT&T's stock fell \$3 to \$36% yesterday morning. The company indicated it expected to earn between \$2.45 and \$3 a share this year, down from \$3.47 last year.

Mr Walter delivered a blunt verdict on the company's loss of market share last year in its core long-distance telephone calling business - a setback which he said had "dimmed

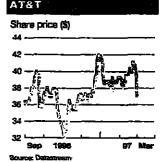
the lustre" of AT&T. "In some ways, the market dynamics simply got away

from us," he said. This year would see further damage, as smaller competitors continued to chip away at the company's 90m residential customers. Also, AT&T's earnings will be dented by higher spending on new equipment, since it will have to pay full Share price (\$) commercial prices to Lucent Technologies, the equipment maker that it spun off as a separate company last year. While marking down their expectations for AT&T's

profits, many analysts at yesterday's meeting continued to look to Mr Walter to make the changes that would eventually see the company rebound. "He gave the most honest

statement that an AT&T executive has given about the company's prospects for a long time," said Mr Jack Grubman, a telecoms analyst at Salomon

"It was clear that the core



business was going to stay

under pressure. AT&T also warned that its earnings in the first quarter of this year would be "slightly below" the 76 cents a share of the last three months of 1996.

Industrial action over factory closure threatens to spread across Europe

Belgium set to sue Renault on factory closure

By Neil Buckley in Brussels and David Owen in Paris

Renault was last night facing legal action and threats of stoppages across Europe over plans to close its Belgian car factory with the loss of 3,100

As more than 4,000 workers protested in the streets of ment said It was likely to take the French carmaker to court over its failure to consult workers about the closure.

Industrial unrest threatened to spread as unions called for one-hour stoppages in Renault's French and Spanish plants on Friday to coincide with a day of action by Belgian workers. Renault factories in Portugal and Slovenia were

urged to join the protests. The calls came amid reports that Renault was preparing to shed 3,000 workers in France this year, on top of the closure at Vilvoorde, north of Brussels. Renault would neither confirm nor deny the reports.

Mr Jean-Luc Dehaene, Belgian prime minster, who has attacked Renault's decision as "brutal and unacceptable", won backing for his calls for court action against the carmaker from Mr Karel Van Miert, the European Union competition commissioner.

Mr Van Miert told a regional minister he believed Renault had failed to respect two EU directives. Although the Com-



Angry Renault workers confront riot police during the mass demonstration in Brussels yesterday

right to take action itself, Mr Van Miert suggested Belgium would have a strong case against Renault in its national

"I don't understand Renault's decision because it is closing a very profitable plant in which it has invested a lot in recent years," Mr Van Miert

A 1975 EU directive on collective redundancies, revised in 1992, says employers planning cuts must consult workers "in good time with a view to reaching an agreement". The 1994 EII works council directive reinforced the obligations for companies, like Renault, which have set up worker

consultation bodies. Yesterday 3,500 workers showrooms marched past EU tion last year, will shortly institutions in Brussels calling for the plant to be saved. They were joined by workers from Forges de Clabecq, the bankrunt southern Belgian steelworks where 1,800 jobs may be

Staff continued to blockade the Vilvoorde factory to prevent shipment of almost 5,000 finished cars, worth BFr3bn (\$86.1m), and threatened to hold "hostage" some 2,000 partly-finished models.

Mr Louis Schweitzer, Renault chief executive, yesterday agreed to meet Vilvoorde workers this week, but said there was no going back on

the closure decision. Renault, in which the French government retains 47

announce its first loss in 10 years - forecast to be close to Ffr5bn (\$870m). It says closure of Vilvoorde,

and transfer of production of Mégane and Clio models to factories in France and Spain, will save FFr850m a year. Renault added that proper consultation procedures had been Renault at staging post,

 Spain's employers and unions meet today in an attempt to end the deadlock in the talks on joint proposals for labour market reforms. The government has warned that if no agreement is reached today

Labour reform, Page 2

Murdoch retreats in Japan by selling TV stake

By Michiyo Nakamoto

Mr Ropert Murdoch, chairman of media group News Corporation, has made an embarrassing retreat in Japan by selling the 21.4 per cent stake in TV Asahi he acquired three months ago with a Japanese

pariner. Asahi Shimbun, publisher of a national newspaper will buy the stake for Y41.75bn

per cent of TV Asahi. Mr Murdoch shook the Japanese media industry by becoming the first foreigner to acquire a large share of a domestic broadcaster when he bought the stake from publisher Obunsha with Softbank, a software distribution and

publishing company. Yesterday's move highlights the difficulty foreigners face in breaking into the tight-knit industry. "There is no question that Murdoch was not welcome," said Mr Ryosuke Osakake, an analyst at Nikko Research Center.

Asahi Shimbun is thought

Continued on Page 16

from Vilvoorde and Renault **UK** private retailer puts 135-store chain up for sale

By Peggy Hollinger in London

Littlewoods, the UK's largest private retailer, is set to break its links with 60 years of shopping history by putting its trademark stores up for sale. The move could bring the company substantially more than 2500m (\$815m).

The group, which launched its first retail outlet serving shoppers on low incomes in 1937, is understood to be hoping for a quick sale of the 135store chain. It has already received at least two serious approaches

and potential bidders are thought to include one supermarket group keen to expand its retailing outlets. Littlewoods has appointed financial advisers BZW to prepare a sale document which

will be distributed in the next

If bidders fall to meet its tar-

get price range, Littlewoods is

10 days.

poorly performing chain. Fig-ures for calendar year 1995 show an operating profit of £17.9m on turnover of £448m. Littlewoods was founded in 1923 in Liverpool when Sir John Moores first began selling pools coupons betting on the results of soccer matches. In 1932 he launched his first home shopping catalogue for

expected to withdraw the division from sale and focus on

increasing returns from the

store in Blackpool. The disposal marks the first stage in a radical overhaul of the pools, mail order and stores business following the appointment as chairman last summer of Mr James Ross, former chief executive of Cable and Wireless.

If successful, it would leave

Littlewoods with the home

shopping business, with sales

CONTENTS

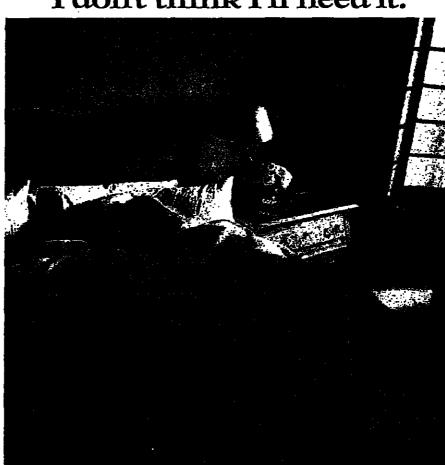
ball pools business, which had turnover in 1995 of £631m. It is understood that the

Moores family, which owns the retailing group, has backed the sale proposal. The family has been unhappy with the group's performance in recent years and came close to selling the business in 1995.

However, shareholders rejected two bids of more than £1bn. The bidders are believed cash-strapped consumers and to have valued the stores and property division at about five years later opened his first £450m, which shareholders considered unacceptably low.

Littlewoods is aiming to take advantage of strong growth in the direct mail sector. It is hoping to boost its sales with the £390m purchase of Freemans, the UK's third-largest mail order group, from Sears. The deal has been referred to the Monopolies and Mergers Commission and a decision is of about £1bn a year, the index expected in the summer.

"Cancel the warm milk. I don't think I'll need it."



The advantages of a Four Seasons Hotel are obvious even in the dark. There is the sensation of slipping between fine cotton sheets, thoughtfully French-folded for dreamlike comfort. The luxury of curling up under our goose-down duvets. The back-soothing firmness of our mattresses, every one custom-made to Four Seasons specifications. Awakening hours later, you'll feel you haven't slept so soundly in years. So we apologize, in advance, for the promptness of our wake-up call. The demands of business demand nothing less. Call your travel counsellor or FOUR SEASONS HOTELS in the U.K., 0800-526-648. Visit our Web site: www.fshe.com

Four Seasons-Regard. Defining the cert of service of 41 holds in 19 countries

Industry resists proposals to limit audience share in European Union

Brussels media plan under fire

By Emma Tucker in Brussels

The European Commission is coming under heavy pressure to abandon plans to barmonise media ownership in the European Union which would impose a 30 per cent limit on the radio or television audience share a company or individual could

have in any member state. The controversial proposals, drawn up by Mr Mario Monti, the single market commissioner, would also introduce a threshold of 10 ence share permissible for als to the full Commission "multimedia" enterprises combining television, radio

in a letter to Mr Jacques Santer, president of the European Commission, Sir Frank Rogers, chairman of the European Publishers' Council, says the proposals would be against the EPC's long-term interests and the interests of a flourishing European media industry".

"The legislation will constrain the size of media companies in ways which will be very damaging not only to the companies, but to Europe in general," said Sir Frank yesterday. Presentation of the propos-

was scheduled for tomorrow but has been put back for at

some Commission officials are unhappy with the draft proposals. They are broadly similar to those rejected by the full Commission last September on the grounds that they were too strict and would have blocked the industry's growth.

But in an attempt to win wider support for his initiative, Mr Monti has introduced a "flexibility" clause which would give member states the discretion to allow their media companies to exceed the proposed thresholds. The clause, which would run for an initial 10 years, could only be applied in the state where the media

lusconi, the Italian media magnate, could maintain his in member states over media more than 30 per cent share in the Italian market but the many different laws on would only be allowed up to a 30 per cent share in any other EU state. However, officials inside

the Commission believe more work needs to be done to resolve exactly how the flexibility clause would apply. For example, it is not clear who would have jurisdiction over the clause if a company from one member state bought into more than 30 per cent of the media interests in another member

Mr Monti is determined to

operations. So Mr Silvio Ber- press ahead with his proposals in spite of the sensitivity ownership. He argues that media concentration across the 15 member states are preventing the free flow of media services inside the single market and are preventing the development of the industry at a European

The EPC remains opposed to the legislation in spite of the flexibility clause. In his letter Sir Frank argues that the clause will not provide companies with the legal certainty necessary to commit to major, long-term

EU call warming gases

By Caroline Southey

The European Union is to press for dramatic worldwide cuts in greenhouse gas emissions, putting pressure on countries such as the US and Japan to back ambitious targets at the next international summit on climate change later this year.

in a surprise turnaround, EU environment ministers agreed to put forward pro-posals for the Kyoto summit calling for a 15 per cent cut in emissions of greenhouse gases - which contribute to global warming - by 2010. Observers had not expected an agreement to be achievable when ministers began their meeting on Sunday

The proposal raises the stakes for member countries of the Organisation for Economic Co-operation and Development which are meeting in this week in Bonn to discuss the terms of a protocol for the international summit in December.

The Kyoto gathering will agree the next phase of targets for global cuts in emissions, extending the mandates of the Rio and Berlin

Environmental groups welcomed the decision and said the EU proposal would inject new energy into the Kyoto preparatory talks.

"The EU initiative has come at a critical moment. It has provoked a flurry of interest and could break the stalemate in negotiations," said Mr Andrew Kerr, co-ordinator of European Climate Change for the World Wild Fund for Nature, who is attending the talks in Bonn.

The EU ministers agreed to back the ambitious target of 15 per cent, but failed to reach agreement on how the Union would achieve the full target. Ms Margreet de Boer. the Dutch minister, said they had agreed on how to tal, quietly dismissed Mr share out the targets between countries for only 10 percentage points of the 15 per cent pledged. The the Latvian state - but were remaining 5 percentage emphatic that their strained | points would be negotiated

> at a "later date" A Dutch official said the EU would be committed to the 15 per cent target only if it was endorsed by the Kyoto summit. "If there is a minus 15 per cent figure agreed in Kyoto, then the EU is committed to adopting measures in addition to existing commitments," said Mr Kees Zoeteman, deputy director for environmental affairs in

the Netherlands. But he admitted the likelihood of a deal at the summit on such an ambitious figure was remote. "If Kyoto reaches agreement on minus 10 per cent - which would be a major step forward and far from likely at this moment we would be ready to imple-

ment it," he said. The deal was struck after the ministers watered down a previous Dutch proposal. mercial port would solve cutting the target levels for

EUROPEAN NEWS DIGEST

on global Paris, Bonn in security talks

Germany and France moved significantly closer yesterday to agreeing a joint plan for developing common European Union defence and security policy. Foreign ministers from the two countries discussed proposals for setting general "strategic" policy on the principle of unanimity - but allowing implementation details to be set according to qualified majority voting among member states,

The plan - which emerged after a meeting between Mr The plan – which emerged after a moving between Mr Klaus Kinkel of Germany and Mr Hervé de Charette of France – was described by officials as an important step in discussions on the future shape of the EU. It marks a concession by Germany, which has in the past sought backing for the qualified majority voting - weighted according to the size of members - to be the rule in

foreign and security policy.

Mr Kinkel also proposed appointing a "secretary general" to "front" the EU foreign and security policy who would rank below government ministers. It was unclear how much support this proposal would win from France, which wants a high-profile appointment. German-French proposals for a common foreign and security policy are expected to be presented at next Monday's session of the inter-governmental conference preparing for the Amsterdam summit in June. Ralph Atkins. Bos

Party funding trial in France

Two former treasurers of France's Socialist party went on trial in Lyons yesterday over an allegedly covert party funding network dating back to the late 1980s.

Mr Henri Emmanuelli and Mr Andre Laignel are among 50 defendants in a trial expected to last about a month. The others include numerous elected local Socialist officials and business executives.

Mr Emmanuelli and Mr Laignel are accused of receiving illicit campaign contributions from a company known as Urba which allegedly demanded consulting fees from businesses in return for public works contracts.

Mr Emmanuelli has already been given a one-year suspended jail sentence and a fine of FFr30,000 (\$5,250) on similar charges in a separate trial in 1995. Both men deny involvement in Urba and say they were unaware of illegal activities. Reuter, Luons

Setback for Turkey's PM

The leader of Turkey's biggest leftwing party yesterday snubbed efforts by Mr Necmettin Erbakan, the embattled Islamist prime minister, to seek a political consensus to bolster his government after military commanders on Friday demanded he respect Turkey's secularist system o face "sanctions".

Mr Bülent Ecevit, head of the Democratic Left party. said after meeting Mr Erbakan: "I do not think he is sincere in his search for dialogue." Mr Erbakan's coalition government faces an opposition no confidence motion in parliament today but is expected to survive easily, in spite of mounting opposition.

Demonstrators in Istanbul, many of them women, held rally commemorating the abolition in 1924 of the Ottoman caliphate by Mr Kemal Atatürk, founder of the secular state. They sang republican songs and chanted anti-government slogans. John Barham, Ankara

Shatalin dies at 62

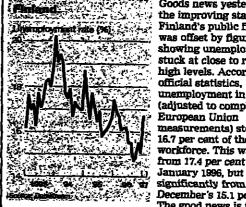
Mr Stanislav Shatalin, a pioneer of efforts to introduce market reforms to the moribund Soviet economy, died yesterday aged 62. He was once described as the St George in Russian efforts to slay the communist economic

In the late 1980s Mr Shatalin worked closely with Mr Mikhail Gorbachev as he attempted to reform the Soviet economic and political system without breaking it by abandoning a socialist-style concern with full employment, a wide array of government-provided

services and a strong role for the state in the economy. By the early 1990s Mr Shatalin began to advocate more radical solutions. Together with Mr Grigory Yavlinsky, a leading liberal politician, he drew up the "500 Days" programme, a bold, step-by-step plan to shift from central planning to a market economy. The scheme was never implemented and was rendered obsolete by the collapse of the Soviet Union, but its ideas served as an important foundation for measures which a younger team of economists launched in 1992. Chrystia Freeland, Moscow

ECONOMIC WATCH

Finnish finances improve



Goods news yesterday on the improving state of Finland's public finances was offset by figures showing unemployment stuck at close to record high levels. According to official statistics, unemployment in January (adjusted to comply with measurements) stood at 16.7 per cent of the workforce. This was down from 17.4 per cent in January 1996, but up significantly from December's 15.1 per cent. The good news is that the

budget deficit was 2.6 per cent of gross domestic product at the end of last year, inside the 3 per cent upper limit set for qualification for European monetary union for the first time since 1991. The Social Democratic-led government is committed to Finnish membership of Emu from its planned start in 1999. The public debt, measured according to Emu qualification criteria, rose to 58.8 per cent by the end of 1996, also inside the 60 per cent Emu

Hugh Carnegy, Stockholm Sweden's producer price index rose 0.3 per cent in January from December but fell 2.2 per cent from a year earlier, the central statistical bureau reported. ■ The Dutch trade surplus widened to F13,733bn (\$1.97bn) in November from F11.911bn a year earlier.

EU looks for Russia-Nato accord

By Chrystia Freeland in Moscow

European Union leaders yesterday expressed the hope that Russia would reach an agreement with Nato before the alliance invites eastern European states to join this summer. "The Russian attitude [on Nato] has not changed, but at the same said vesterday.

Mr Kok, the Dutch prime minister, whose country holds the rotating EU

the Baltic states.

population fell by a fifth.

that could bring back the

as a commercial harbour,

The push for Russian busi-

spite of bitter wartime

As Russian destroyers

began leaving in 1992, Lat-

vian seamen and others

involved in Liepaja were

working to ensure the port

was used to the country's

Mr Aivars Boja, a mer-

tor of the local port author-

economic advantage.

enmity.

summit meeting between President Boris Yeltsin and EU leaders in

He said the Russian leader had asked Europeans to participate closely in the discussions about relations between Russian and Nato ahead of the US-Russia summit, scheduled to take place in Helsinki time there is a strong will to reach a later this month. That meeting is set of conclusions before [the Nato summit in] Madrid," Mr Wim Kok observers hope it could lay the expected to focus on Nato and many groundwork for a special agreement

between Russia and the alliance. Mr Kok's comment suggests that

pean states - which have at times appearance since August 9, when he been less insistent on the issue of Nato expansion than the US - as a already frayed nerves in Moscow, moderating force in negotiations between Moscow and Washington.

Mr Yeltsin's meeting with EU leaders, originally due to take place at The Hague on February 4 but rescheduled because of his health problems, marks the beginning of strenuous week in which the president is boping to re-emerge as the dominant figure in Russian politics.

Later this week Mr Yeltsin will

plans when Mr Javier Solana, the military alliance's secretary general,

deliver an annual state of the nation dent was in excellent spirits and

travels to Moscow. European leaders said Mr Yeltsin seemed up to the strain. "The presi-

was inaugurated. The address has

amid widespread expectation that

Mr Yeltsin could use the opportunity

At the weekend, Mr Yeltsin will

again be seeking a deal for Russia in

the face of imminent Nato expansion

to reshuffle the cabinet.

presidency, was speaking after a Mr Yeltsin is eager to engage Euro- address, his longest live public very active." Mr Kok said.

docks, railway lines and cranes. Local businessmen

have held talks with poten-

tial western investors as

Mr Arkady Volsky, influ-

ential chairman of the Rus-

sian Entrepreneurs and

Industrialists Union, last

month called Liepaja's loss

"inexcusable" and claimed that Latvia had approached

him to sell the port to the

Officials in Riga, the capi-

Volsky's claim as Russian nationalist bluster - the port

will stay in the ownership of

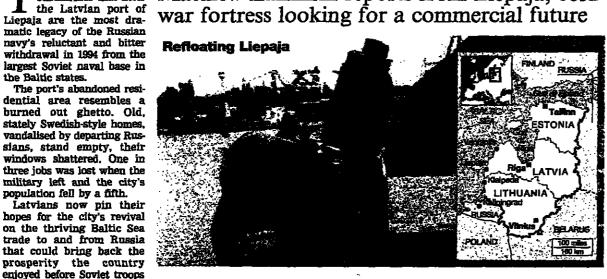
political ties with Moscow

must not get in the way of

Russian government.

well as with Russians.

Latvian port charts new course Matthew Kaminski reports from Liepaja, cold war fortress looking for a commercial future Liepaja's modernisation submarines that litter plans include new loading



invaded in 1940. The reopening of the Baltic region gives to lease out berths for prian old cold war fortress the vate use. Stevedoring and chance to return to its roots shipping agencies were founded. The largest company, TerraBalt, built a new loading dock and bulk termi-nal - imports for Russia ness might ease the bitterness on both sides that continually sours relations. account for 90 per cent of its Latvians like to compare Liebusiness. "The Russian milipaja with Rotterdam, which tary left, and we really had quickly became Germany's no choice," says Mr Yuri largest trade gateway after Solvyov, a merchant captain the second world war, in who founded TerraBalt.

Starting from nothing, Lienaia handled 1.6m tonnes of cargo last year, up from 1.4m in 1995. The rejuvenation of the local metal manufacturing plant, which expects exports to reach 500,000 tonnes, would be another boost for business this year. All Latvian ports enjoyed

chant fleet captain and direc- a boom last year, handling 45m tonnes of cargo - 15 per deep, ice-free port ideally dumped.

ity, led an aggressive drive cent more than in 1995 including 27m tonnes of oil Mr Charles Magee, a retired and oil products handled at US diplomat who monitors Ventspils, Russia's largest oil export terminal.

The competition from Lithuania's Klaipeda and Estonia's Tallinn is heating up, hut Latvian officials were ehullient about last year's result. "More Russian cargo goes through our ports than through all the Russian Baltic ports and Finland combined," says Mr Andris

Skele, prime minister. Backed by the Latvian government. Liepaia was this year granted permission to set up a tax-free zone in the port, specialising in re-export of finished goods. But its future is by no means assured.

"Liepaja is an excellent,

of work contract and clarify-

located on the Baltic," says ethnic relations in Latvia and often visits the city. "But, oh God, what it would take to fix that place up."

Half the port cannot be used until abandoned submarines are cleared from the channels. The Russian state owns them, and awarded a two-year contract to a German company, Kienast Metalle, to bring up the 28 vessels and strip them for scrap. The deal expired in December after 19 had been cleared; the fate of the rest is not clear.

desperately need dredging. A Danish ship ran aground recently on a large piece of metal the Soviet navy had

Russia lacks better options at home. Icebound St Petersburg has a reputation for corruption and cargo piliferage. The Russian navy controls Kaliningrad's Baltisk, while the shallower commercial port in the enclave capi-

tal suffers from poor facilities and rail links. When the Soviet Union fell, Russia lost its four major Baltic ports" - Klaipeda, Riga, Tallinn and Ventspils - says Mr Imants The port channels also

Cibulis, president of Trans Liepaja agency, who has been negotiating with Mr Volsky and Russian industrialists on joint projects at Liepaja. "They want to build a new one, but that would take millions. A smaller investment in our new com-

each country.

by employers as having had little impact on the real cost of redundancies Redundancies accepted as justified carry guaranteed compensation of 20 days' pay per year worked, up to a ceil-ing of 12 months' pay. But because of legal delays and varying interpretations by

The Financial Times plans to publish a Survey on Guernsey

on Monday, March 24 For further details please Felicia Kay

Tel: 0171 873 4199

Fax: 0171 873 3204

or your usual Financial Times representative FT Surveys

APPOINTMENTS **ADVERTISING**

appears in the UK edition every Wednesday & Thursday

and in the International edition every Friday

For further information please call: Andrew Skarzynski

+44 0171 873 4054

Toby Finden-Crofts on +14 0171 873 3456.

Madrid may enforce labour reform

By David White in Madrid

Spain's centre-right ing the conditions for redungovernment appears increasingly likely to be forced to carry out its reluctant threat to impose labour market reforms in an open challenge to the trade unions. It has been hoping for a voluntary agreement

between employers and

FINANCIAL TIMES
Published by The Financial Times (Europe)
GmbH, Nibelungenplaze 1, 60318 Frankfeat am Main, Germany, Telephone ++49
69 156 850, Fax ++49 69 596 4481. Represented in Frankint by J. Walter Brand,
Wilhelm J. Britssel, Colin A. Kennard as
Geschäftschurer and in London by Dwid
C.M. Bell, Chairman, and Alan C. Miller,
Departy Chairman, The shareholder of the
Financial Times (Europe) GubbH is Pearson Overseas Holdings Limited, 3 Burlington Gardens, London, WIX 1LE.
Shareholder of this company is Pearson
ple, registered at the same address
GERMANY;
Responsible for Advertising contemp. Colgn

Responsible for Advertising content: Colm A. Kennard, Printer: Hürriyet International Verlaggreellechaft mbH, Adapted-Rosen-dahl-Strasse 3s, 63263 New Lemburg ISSN 0174 7763. Responsible Editor: Richard Lumber, cto The Francial Tenes Limited. Number One Southwark Bridge. London SEi 9HL. FRANCE:

PRACUEZ Publishing Durector: P. Maraviglia, 42 Rue La Boche, 75008 PARIS, Telephone (01) 5376 8254, Fax (01) 5376 8253, Prenter, S.A. Nord Eclair. 15/21 Rue de Calre, F-97100 Roubaix Codes I, Eduor: Richard Lambert, USSN 1148-2753, Commussion Parinire No 67808D. SWEDEN:

SWEDEN: Responsible Publisher: Hugh Carnesy 468 618 6088. Printer: AB Kvällstudningen Expressen, PO Box 6007, S-559 06, Jonköping. © The Financial Times Limited 1997. Editor: Richard Lambert of The Funncial Times Limited, Number One Southwark Bridge, London SEI 94L.

dancies. The CEOE employers' federation and the two main labour organisations, the General Workers Union (UGT) and Workers' Commissions, are set for a final meeting today. But the outlook appears dim, with the UGT warning that only a fundamental turnaround by employers would break the deadlock. Workers' Commissions accused the CEOE of unions have blamed govern-preferring government-imment interference for hinderposed legislation to a compromise settlement.

Government and business leaders see reform of redundancy terms as an urgent task to prevent the labour system from standing in the way of new investment, and to create competitive conditions for Spain in the European Union's planned singlecurrency zone. The government is con-

cerned that investment and iob creation decisions are being delayed in anticipation of the outcome. However, ing the chances of agree-

Mr José María Aznar, legally acceptable grounds prime minister, has repeat- for workforce cuts, is seen prime minister, has repeatedly warned that the government will take the initiative if unions and employers fail to reach an early agreement. But Mr Antonio Gutlerrez, Workers' Commissions secretary-general, said yesterday that a unilateral reform by the government would fail and lead to labour con-

flict The last attempt to ease redundancy conditions three years ago provoked a 24-hour general strike against the The change, extending the the EU.

judges most companies have tended to pay the rate set for unjustified redundancies: 45 days' pay per year, up to a maximum of 42 months - by then Socialist government. far the highest legal rate in

Trials of Spanish businessmen come to

By David White

Mr Mario Conde. a former sat on the defendant's bench in court for the first time since being ousted as chairman of the Banesto group by the Bank of Spain more than three years ago.

The opening of his trial for alleged misappropriation of Pta600m (\$4.2m) in the "Argentia Trust" case is just the beginning of a long court battle for the 48-yearold financier. The main Banesto case, involving fraud charges to the value of some Pta7.8bn, is still looming. Banesto, once the coun-

try's largest bank, was found to have hidden losses of Pta605bn. After a rescue, Spanish banker, yesterday led by the Bank of Spain, it was taken over by Banco Santander in 1994.

> case, in which prosecutors are seeking a seven-year jail sentence, is over payments the bank made to a company based in St Vincent officially for a series of studies. Mr Conde has said they were for obtaining political support in an attempt to win tax concessions.

The "Argentia Trust" Spain, a judge has imposed bail of Pta400m over alleged

Two other celebrated legal sagas involving powerful business figures have also resched a critical stage in to widespread but unproven made easier in Spain by a seem fortuitous" that the extreme right.

court. Mr José María Ruiz-Mateos, whose trial for falsi-system is being used for system is being used for fication finally came up last month, 14 years after the government expropriated his troubled Rumasa empire, is now awaiting sentence. And, in a set of actions against Mr Javier de la Rosa, former Kuwait Investment Office agent in

"financial engineering". These developments have apparently strange coincidences between high-profile business investigations and other legal cases, giving rise

political counter campaigns. The high points of the Banesto case have coincided with developments in the investigation into the "dirty war" against Basque activ-

ists under the previous Socialist government. Socialist politicians have also pointed the finger at Mr Conde for an alleged attempt at political blackmail in 1995 through his revived controversy about relations with a former intelligence chief, who has been charged with stealing secret documents.

individuals to bring criminal cases. The latest coincidence came in a privatelyinitiated case last Friday, involving alleged misuse of funds by Sogecable, which runs Spain's Canal Plus television channel.

Instead of serving notice to lawyers, the judge called in senior executives including Mr Jesús de Polanco, chairman, and Mr Juan Luis Cebrián, chief executive, who hold the same posts in the leading newspaper El Pais. They were forbidden to leave the country. El País

system allowing private move should come just before Mr Conde's trial. The judge involved, Mr Javier Gómez de Liaño happens to be a younger brother of Mr Conde's law-

yer, Mr Mariano Gómez de Liaño, who has himself been under investigation in the Banesto case. The judicial system's shaky public reputation received a further blow when the government

backed off from approving the nomination of a new chief prosecutor at the national court after allegations that he belonged to an Retaliatory legal action is commented that it did "not obscure order linked to the

Industry resists proposals to limit audience share in European Union

Brussels media plan under fire on global

The European Commission is coming under heavy pressure to abandon plans to harmonise media ownership in the European Union which would impose a 30 per cent limit on the radio or television audience share a company or individual could have in any member state.

The controversial proposals, drawn up by Mr Mario Monti, the single market commissioner, would also introduce a threshold of 10 per cent on the total audience share permissible for "multimedia" enterprises combining television, radio

In a letter to Mr Jacques Santer, president of the European Commission, Sir Frank Rogers, chairman of the European Publishers Council, says the proposals would be against the EPC's "long-term interests and the interests of a flourishing

European media industry".
"The legislation will constrain the size of media companies in ways which will be very damaging not only to

Presentation of the proposals to the full Commission was scheduled for tomorrow least a week amid signs that company has its main

are unhappy with the draft proposals. They are broadly similar to those rejected by the full Commission last September on the grounds that they were too strict and would have blocked the industry's growth.

But in an attempt to win wider support for his initiative, Mr Monti has introduced a "flexibility" clause the companies, but to states the discretion to anow their media companies to exceed the proposed threshwhich would give member olds. The clause, which would run for an initial 10 years, could only be applied but has been put back for at in the state where the media

operations. So Mr Silvio Berlusconi, the Italian media magnate, could maintain his more than 30 per cent share in the Italian market but would only be allowed up to a 30 per cent share in any other EU state. However, officials inside

the Commission believe more work needs to be done solve exactly how the flexibility clause would apply. For example, it is not ar who would have jurisdiction over the clause if a company from one member state bought into more than 30 per cent of the media interests in another member

state. Mr Monti is determined to press ahead with his propos als in spite of the sensitivity ownership. He argues that the many different laws on media concentration across the 15 member states are preventing the free flow of media services inside the single market and are preventing the development of the industry at a European

The EPC remains opposed to the legislation in spite of the flexibility clause. In his letter Sir Frank argues that the clause will not provide companies with the legal certainty necessary to commit to major, long-term

EU call warming gases

By Caroline Southey in Brussels

The European Union is to press for dramatic worldwide cuts in greenhouse gas emissions, putting pressure on countries such as the US and Japan to back ambitious targets at the next international summit on climate change later this year.

In a surprise turnaround, EU environment ministers agreed to put forward proposals for the Kyoto summit calling for a 15 per cent cut in emissions of greenhouse es - which contribute to global warming - by 2010. Observers had not expected an agreement to be achievable when ministers began their meeting on Sunday

night.
The proposal raises the stakes for member countries of the Organisation for Economic Co-operation and Development which are meeting in this week in again be seeking a deal for Russia in Bonn to discuss the terms of a protocol for the international summit in December.

plans when Mr Javier Solana, the The Kyoto gathering will military alliance's secretary general, agree the next phase of tar-European leaders said Mr Yeltsin gets for global cuts in emissions, extending the mandates of the Rio and Berlin

Environmental groups welcomed the decision and said the EU proposal would inject new energy into the Kyoto preparatory talks.

"The EU initiative has come at a critical moment. Itplans include new loading has provoked a flurry of docks, railway lines and interest and could break the stalemate in negotiations," cranes. Local businessmen said Mr Andrew Kerr, co-ordinator of European Climate Change for the World Wild Fund for Nature, who is

attending the talks in Bonn. The EU ministers agreed to back the ambitious target of 15 per cent, but failed to reach agreement on how the Union would achieve the full target. Ms Margreet de Boer. the Dutch minister, said they had agreed on how to share out the targets between countries for only 10 percentage points of the 15 per cent pledged. The remaining 5 percentage points would be negotiated

at a "later date". A Dutch official said the EU would be committed to the 15 per cent target only if it was endorsed by the Kyoto summit. "If there is a minus 15 per cent figure agreed in Kyoto, then the EU is com mitted to adopting measures in addition to existing commitments," said Mr Kees Zoeteman, deputy director for environmental affairs in

the Netherlands. But he admitted the likelihood of a deal at the summit on such an ambitious figure was remote. "If Kyoto reaches agreement on minus 10 per cent - which would be a major step forward and far from likely at this moment we would be ready to imple ment it." he said.

The deal was struck after the ministers watered down a previous Dutch proposal, cutting the target levels for

EUROPEAN NEWS DIGEST Paris, Bonn in security talks

Germany and France moved significantly closer yesterday to agreeing a joint plan for developing common European Union defence and security policy. Foreign ministers from the two countries discussed proposals for setting general "strategic" policy on the principle of unanimity – but allowing implementation details to be set according to

qualified majority voting among member states. The plan - which emerged after a meeting between Mr Klaus Kinkel of Germany and Mr Hervé de Charette of France - was described by officials as an important step in discussions on the future shape of the EU. It marks a concession by Germany, which has in the past sought packing for the qualified majority voting – weighted according to the size of members – to be the rule in oreign and security policy.

Mr Kinkel also proposed appointing a "secretary eneral" to "front" the EU foreign and security policy who would rank below government ministers. It was unclear how much support this proposal would win from France, which wants a high-profile appointment. German-French proposals for a common foreign and security policy are expected to be presented at next Monday's session of the inter-governmental conference preparing for the Amsterdam summit in June. Ralph Atkins, Bonn

Party funding trial in France Two former treasurers of France's Socialist party went on

trial in Lyons yesterday over an allegedly covert party funding network dating back to the late 1980s. Mr Henri Emmanuelli and Mr Andre Laignel are among 50 defendants in a trial expected to last about a month.

The others include numerous elected local Socialist officials and business executives. Mr Emmanuelli and Mr Laignel are accused of receiving illicit campaign contributions from a company known as Urba which allegedly demanded consulting fees from

Mr Emmanuelli has already been given a one-year suspended jail sentence and a fine of FFr30,000 (\$5,250) on similar charges in a separate trial in 1995. Both men deny involvement in Urba and say they were unaware of illegal activities.

Setback for Turkey's PM

usinesses in return for public works contracts.

The leader of Turkey's biggest leftwing party yesterday snubbed efforts by Mr Necmettin Erbakan, the embattled Islamist prime minister, to seek a political consensus to bolster his government after military commanders on Friday demanded he respect Turkey's secularist system or ace "sanctions".

Mr Bülent Ecevit, head of the Democratic Left party. said after meeting Mr Erbakan: "I do not think he is sincere in his search for dialogue." Mr Erbakan's coalition government faces an opposition no confidence motion in parliament today but is expected to survive easily, in spite of mounting opposition.

Demonstrators in istanbul, many of them women, held rally commemorating the abolition in 1924 of the Ottoman caliphate by Mr Kemal Atatürk, founder of the secular state. They sang republican songs and chanted anti-government slogans. John Barham, Ankan

Shatalin dies at 62

Mr Stanislav Shatalin, a pioneer of efforts to introduce market reforms to the moribund Soviet economy, died vesterday aged 62. He was once described as the St George in Russian efforts to slay the communist economic

In the late 1980s Mr Shatalin worked closely with Mr Mikhail Gorbachev as he attempted to reform the Soviet economic and political system without breaking it by abandoning a socialist-style concern with full employment, a wide array of government-provided

services and a strong role for the state in the economy. By the early 1990s Mr Shatalin began to advocate more radical solutions. Together with Mr Grigory Yaviinsky, a leading liberal politician, he drew up the "500 Days" programme, a bold, step-by-step plan to shift from central planning to a market economy. The scheme was never implemented and was rendered obsolete by the collapse of the Soviet Union, but its ideas served as an important foundation for measures which a younger team of economists launched in 1992. Chrystia Freeland, Moscow

ECONOMIC WATCH

Finnish finances improve

the improving state of Finland's public finances was offset by figures showing unemployment stuck at close to record high levels. According to official statistics, unemployment in January (adjusted to comply with European Union measurements) stood at 16.7 per cent of the workforce. This was down from 17.4 per cent in January 1996, but up thus as as significantly from December's 15.1 per cent.

The good news is that the

budget deficit was 2.6 per cent of gross domestic product at the end of last year, inside the 3 per cent upper limit set for qualification for European monetary union for the first time since 1991. The Social Democratic led government is committed to Finnish membership of Emu from its planned start in 1999. The public debt, measured according to Emu qualification criteria, rose to 58.8 per cent by the end of 1996, also inside the 60 per cent Emu. Hugh Carnegy, Stockholm

Sweden's producer price index rose 0.8 per cent in January from December but fell 2.2 per cent from a year earlier, the central statistical bureau reported. ■ The Dutch trade surplus widened to Fl 3.788bn (\$1.97bn) in November from F11.911bn a year earlier.

EU looks for Russia-Nato accord

By Chrystia Freeland in Moscow

European Union leaders yesterday expressed the hope that Russia would reach an agreement with Nato before the alliance invites eastern European states to join this summer. "The Russian attitude (on Nato) has not changed, but at the same time there is a strong will to reach a set of conclusions before [the Nato summit in] Madrid," Mr Wim Kok

Mr Kok, the Dutch prime minister. whose country holds the rotating EU

summit meeting between President Boris Yeltsin and EU leaders in

He said the Russian leader had asked Europeans to participate closely in the discussions about relations between Russian and Nato ahead of the US-Russia summit, scheduled to take place in Helsinki later this month. That meeting is expected to focus on Nato and many observers hope it could lay the groundwork for a special agreement between Russia and the alliance.

Mr Kok's comment suggests that presidency, was speaking after a Mr Yeltsin is eager to engage Euro address, his longest live public very active." Mr Kok said.

pean states - which have at times appearance since August 9, when he been less insistent on the issue of was inaugurated. The address has Nato expansion than the US - as a moderating force in negotiations between Moscow and Washington.

Mr Yeltsin's meeting with EU leaders, originally due to take place at The Hague on February 4 but rescheduled because of his health problems, marks the beginning of strenuous week in which the president is hoping to re-emerge as the dominant figure in Russian politics.

Later this week Mr Yeltsin will deliver an annual state of the nation

seemed up to the strain. "The president was in excellent spirits and

already frayed nerves in Moscow,

amid widespread expectation that

to reshuffle the cabinet

travels to Moscow.

Mr Yeltsin could use the opportunity

At the weekend, Mr Yeltsin will

the face of imminent Nato expansion

Latvian port charts new course

submarines that litter the Latvian port of Liepaja are the most dramatic legacy of the Russian navy's reluctant and bitter withdrawal in 1994 from the largest Soviet naval base in the Baltic states. The port's abandoned residential area resembles a

burned out ghetto. Old, stately Swedish-style homes. vandalised by departing Russians, stand empty, their windows shattered. One in three jobs was lost when the military left and the city's population fell by a fifth. Latvians now pin their hopes for the city's revival on the thriving Baltic Sea

trade to and from Russia that could bring back the prosperity the country enjoyed before Soviet troops invaded in 1940. The reopening of the Baltic region gives an old cold war fortress the as a commercial harbour. The push for Russian busi-

ness might ease the bitterness on both sides that continually sours relations. Latvians like to compare Liepaja with Rotterdam, which quickly became Germany's largest trade gateway after the second world war, in spite of bitter wartime enmity. As Russian destroyers

began leaving in 1992, Latvian seamen and others involved in Liepaja were working to ensure the port was used to the country's economic advantage. Mr Aivars Boja, a mer-

chant fleet captain and director of the local port authorMatthew Kaminski reports from Liepaja, cold war fortress looking for a commercial future



founded. The largest company. TerraBalt, built a new loading dock and bulk terminal - imports for Russia business. "The Russian military left, and we really had no choice," says Mr Yuri

Solvyov, a merchant captain

who founded TerraBalt.

Starting from nothing, Liepaia handled 1.6m tonnes of cargo last year, up from 1.4m in 1995. The rejuvenation of the local metal manufacturing plant, which expects exports to reach 500,000 boost for business this year. All Latvian ports enjoyed a boom last year, handling

oil export terminal.

The competition from Lithuania's Klaipeda and Estonia's Tallinn is heating up. account for 90 per cent of its but Latvian officials were ebullient about last year's result. "More Russian cargo goes through our ports than through all the Russian Baltic ports and Finland com-Skele, prime minister Backed by the Latvian

government, Liepaja was this year granted permission to set up a tax-free zone in the port, specialising in reits future is by no means assured.

"Liepaja is an excellent,

ity, led an aggressive drive cent more than in 1995 - located on the Baltic," says to lease out berths for pri- including 27m tonnes of oil Mr Charles Magee, a retired vate use. Stevedoring and and oil products handled at US diplomat who monitors chance to return to its roots shipping agencies were Ventspils, Russia's largest ethnic relations in Latvia and often visits the city. "But, oh God, what it would take to fix that place up." Half the port cannot be

used until abandoned submarines are cleared from the channels. The Russian state owns them, and awarded a two-year contract to a German company, Kienast Metbined," says Mr Andris alle, to bring up the 28 vessels and strip them for scrap. The deal expired in December after 19 had been cleared; the fate of the rest is not clear.

The port channels also tonnes, would be another export of finished goods. But desperately need dredging, A Danish ship ran aground recently on a large piece of metal the Soviet navy had

have held talks with potential western investors as well as with Russians. Mr Arkady Volsky, influential chairman of the Russian Entrepreneurs and Industrialists Union, last month called Liepaia's loss

Liepaia's modernisation

"inexcusable" and claimed that Latvia had approached him to sell the port to the Russian government. Officials in Riga, the capital, quietly dismissed Mr Volsky's claim as Russian

nationalist bluster - the port will stay in the ownership of the Latvian state - but were emphatic that their strained political ties with Moscow must not get in the way of Russia lacks better options

at home. Icebound St Petersburg has a reputation for corruption and cargo pilferage. The Russian navy controls Kaliningrad's Baltisk. while the shallower commercial port in the enclave capital suffers from poor facilities and rail links. "When the Soviet Union

fell, Russia lost its four major Baltic ports" - Klaipeda, Riga, Tallinn and Ventspils – says Mr Imants Cibulis, president of Trans Liepaja agency, who has been negotiating with Mr Volsky and Russian industrialists on joint projects at Liepaia, "They want to build a new one, but that would take millions. A smaller investment in our new commercial port would solve

deep, ice-free port ideally dumped. 45m tonnes of cargo - 15 per their problem." each country. Madrid may enforce labour reform to publish a Survey on

Guernsev on Monday, March 24 For further details pleas

Felicia Kay Tel: 0171 873 4199 Fax: 0171 873 3204

or your usual Financial Times representative FT Surveys

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday.

and in the International edition every Friday

For further information

please call: Andrew Skarzynski

+44 9171 873 4054 Toby Finden-Crofts on

+44 0171 873 3456

By David White in Madrid Spain's centre-right government appears increasingly likely to be forced to ers' federation and the two

to the trade unions voluntary agreement between employers and

to impose labour market

reforms in an open challenge

FINANCIAL TIMES
Published by The Financial Times (Europe)
GmbH, Nibelengenplatz 3, 60318 Frankfurt am Main, Germany, Telephone 449
60 158 830, Fag. +449 69 596 4481, Represented in Frankfurt by J. Walter Brand, Withelm J. Brüssel. Colm A. Kennard as Geschäftsführer and in London by David C.M. Bell. Chairman, and Alan C. Miller. Deputy Chairman, The shareholder of the Financial Times (Europe) GmbH is Pearson Overseas Holdings Limited, 3 Burlingson Gardena, London, WIX ILE. Shareholder of this company is Pearson pic, registered at the same address
GERMANY:

GERMANY: GERMANY: Responsible for Advertising content: Colin A. Kemnard. Printer: Hürriyes International Verlassgesellschaft mbH. Admiral-Rosen-dah. Strasse 3a, 63263 New Lemburg ISSN 0174-7363. Responsible Editor: Richard Lumbert, ofo The Financial Times Limited. Number One Southwark. Bridge. London SEI 9HL.

Publishing Director: P. Maravigha, 42 Rue La Boétie, 75008 PARIS, Telephone (01) 3376 R254, Fax (01) 5376 R255, Printer: S.A. Nord Eclair, 15721 Rue de Caire, F-59100 Roubeix Ceden I. Editor: Richard Lambert, ISSN 1148-2755, Commission Paritaire Nu 67808D

SWEDEN

A' The Financial Times Limited 1997 Editor Richard Limbert of The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL.

unions covering new kinds ing the conditions for redundancies. The CEOE employ- task to prevent the labour carry out its reluctant threat main labour organisations. the General Workers Union (UGT) and Workers' Commissions, are set for a final It has been hoping for a meeting today. But the outlook appears dim, with the UGT warning that only a cerned that investment and fundamental turnaround by employers would break the deadlock. Workers' Commis-

sions accused the CEOE of

preferring government-im-

posed legislation to a com-

Government and business of work contract and clarify- leaders see reform of redundancy terms as an urgent system from standing in the way of new investment, and to create competitive conditions for Spain in the European Union's planned singlecurrency zone.

The government is conjob creation decisions are being delayed in anticipation of the outcome. However. unions have blamed government interference for hindering the chances of agreement.

Mr José María Aznar. prime minister, has repeatedly warned that the government will take the initiative if unions and employers fail to reach an early agreement. But Mr Antonio Gutiérrez, Workers' Commissions secretary-general, said yesterday that a unilateral reform by the government would fail and lead to labour con-

The last attempt to ease redundancy conditions three years ago provoked a 24-hour general strike against the then Socialist government. The change, extending the the EU.

legally acceptable grounds for workforce cuts, is seen by employers as having had little impact on the real cost of redundancies. Redundancies accepted as justified carry guaranteed

compensation of 20 days' pay per year worked, up to a ceiling of 12 months' pay. But because of legal delays and varying interpretations by judges most companies have tended to pay the rate set for unjustified redundancies: 45 days' pay per year, up to a maximum of 42 months - by far the highest legal rate in

Trials of Spanish businessmen come to head

By David White

promise settlement.

Mr Mario Conde, a former Spanish banker, yesterday sat on the defendant's bench in court for the first time since being ousted as chairman of the Banesto group by the Bank of Spain more than three years ago.

The opening of his trial for alleged misappropriation of Pta600m (\$4.2m) in the "Argentia Trust" case is just the beginning of a long court battle for the 48-yearold financier. The main Banesto case, involving fraud charges to the value of some Pta7.8bn, is still looming. Banesto, once the coun-

try's largest bank, was court. Mr José María Ruizfound to have hidden losses of Pta605bn. After a rescue, led by the Bank of Spain, it was taken over by Banco Santander in 1994. The "Argentia Trust"

case, in which prosecutors are seeking a seven-year jail sentence, is over payments the bank made to a company based in St Vincent, officially for a series of studies. Mr Conde has said they were for obtaining political support in an attempt to win tax concessions. Two other celebrated legal

sagas involving powerful

business figures have also

reached a critical stage in

Mateos, whose trial for falsi-fication finally came up last political counter-campaigns. month. 14 years after the government expropriated troubled Rumasa empire, is now awaiting sentence. And, in a set of actions against Mr Javier de la Rosa, former Kuwait Investment Office agent in Spain, a judge has imposed

These developments have revived controversy about apparently strange coincidences between high-profile business investigations and other legal cases, giving rise to widespread but unproven

bail of Pta400m over alleged

"financial engineering".

The high points of the Banesto case have coincided with developments in the investigation into the "dirty war" against Basque activists under the previous Socialist government. Socialist politicians have also pointed the finger at Mr Conde for an alleged attempt at political blackmail in 1995 through his relations with a former

suspicions that the judicial

been charged with stealing secret documents.

intelligence chief, who has

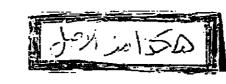
system allowing private individuals to bring criminal cases. The latest coinciinitiated case last Friday, involving alleged misuse of runs Spain's Canal Plus television channel.

ing Mr Jesús de Polanco, chairman, and Mr Juan Luis Cebrián, chief executive, Retaliatory legal action is commented that it did "not made easier in Spain by a seem fortuitous" that the extreme right.

Instead of serving notice

move should come just before Mr Conde's trial. The judge involved, Mr dence came in a privately- Javier Gómez de Liaño happens to be a younger brother of Mr Conde's lawfunds by Sogecable, which yer, Mr Mariano Gómez de Liaño, who has himself been under investigation in the

to lawyers, the judge called The judicial system's in senior executives includ-shaky public reputation The judicial system's received a further blow when the government backed off from approving who hold the same posts in the nomination of a new the leading newspaper El chief prosecutor at the País. They were forbidden to national court after allegaleave the country. El País tions that he belonged to an obscure order linked to the





Section .

精作 - 4

≨wta _e

Page 1

Maritim L

dir Co

Maria (Constitution)

Ex-

44

%

manage of the con-

يدجنجر و

المرج وألفاء فإ

~ A1.7*

经有产品的企业

34.1

Walter

Daniel Line

At gardeny

FF 34 "

e 3

. . .

er og 👑

... ده غاید .

Preparing monetary for Emu have to be union would delaved.

while analysts said that the market had overreacted last week. Mr Hans Tietmeyer, president of the Bundesbank, said be did not "see any reason for delay" and that the rumours, which unsettled markets on Friday. were "not in line with reality." Mr. Alexandre Lamfalussy, president of the European Monetary Institute, said: "All these market rumours about a delay are

Both were speaking at a. bankers' meeting in Frankfurt in honour of Mr Wim Duisenberg, head of the Dutch central bank and the European Monetary the European Central Bank.

have to be postponed havebeen mounting for weeks as it has become increasingly an over-reaction - in the downward in the longer are having difficulty meeting conditions for monetary union, especially when it comes to trimming budget

On Friday rumours swept European financial markets ing [of Italian bonds]." said This forced the Bundesbank ning to." and German finance ministry to offer calming statenember in 1999.

Futures on Italian governnent bonds (BTPs) fell 2.3 ercentage points on Friday, не sharpest single-day fall Emu: whe's going to make it ...

pa nadad, in milich investors ages feeting rate interest payments on a strong for the crass ones. Countries are selected if they have a tradit - Programment is easy as being (1005) contain of joining Erru: Finland, Instant, join Portugue will be active to the Erru columns in the corong weeks.

the designated new head of day. Now that the dust has settled, we do not under-Institute, the forerunner of stand why the market moved so violently in the Worries that Emu would first place," said one bond market strategist.

"There is no doubt it was apparent that many coun- short term it was overdone," tries, including Germany, said Mr Julian Jessop, chief European economist at Nikko Europe.

nental Europe expressed surprise at the market's fall. We have not seen any sellthat a two-year delay in Emu one. "We have not sold any would soon to be amnounced: ourselves, and are not plan-

A London economist said the romours that caused the ments. Worst-hit were bonds sell-off originated among issued by the Italian govern-futures traders. "Traders ment, which has staked its thrive on volatility," he said. credibility on its ability to "They need it to make join Emu as a founding money. There is no other explanation for the rumours."

Italian bonds yesterday recouped some of their 2% years, but this was tract listed in London, rose rick Stilder gely overdone and unjus- by 0.50 percentage point to Agencies

tified, analysts said vester- close at 128.00, outperforming similar instruments on only 0.20 percentage point. Mr Jessop, however, believes Italian bonds are not out of the woods vet. He expects BTP prices to drift

Italian gross domestic product data released last week suggested little sign of Fund managers in conti- an upturn in the Italian economy, he said, adding that this put pressure on the budget deficit through higher social welfare payments and lower government revenue. Mr Bruce Kasman, chief

European economist at J.P.Morgan in London, said italy's economic fundamentals were being overshadowed by political considerations over Emu. "Everyone knows the economy is weak. people are much more worried about Emu," he said. International Capital Markets. Page 26

losses. The BTP futures con- Further reporting by Frede-

US wakes up to challenge of Emu

Until recently, Americans have been hard pressed to take European monetary union seriously but this attitude is changing, writes Gerard Baker

ven the best informed weakening the global economy.

Americans have had a hard Administration officials, not time taking the notion of Mr Robert Rubin, the treasury so European economic and monetary union seriously over the past few

the early 1990s, the conventional view in the US was that the planned single currency was a rather farfetched notion, of more use in understanding the long-term political ideals of European countries than in suggesting a programme of real economic and monetary changes.

The scepticism was perhaps best demonstrated last week, when a conference on the impact of Emu on US markets planned by the London International Financial Futures Exchange had to be cancelled ecause of lack of interest among the targeted American audience.

But there is a slowly dawning awareness in official and financial circles that Emu would present significant economic and political challenges for the US.

Government departments are gradually gearing themselves up for changes that might occur and there is real concern about the effect on US economic policy.

The principal worry is about the effect on bilateral economic relations. US administration officials, dollar as the world's reserve cur-who have been studying Emu in rency. This might lead to a rise in who have been studying Emu in some detail, have expressed concern privately that EU states' efforts to reduce budget deficits and debts to qualify for Emu membership are prolonging European stagnation, ration, when it appeared that Gerrevivalism. The especially strong do it again.

Administration officials, notably Mr Robert Rubin, the treasury secretary, have also pressed the Euro-

peans to stimulate growth. The strength of the US economy at After the EU monetary crises of present is such that it could almost certainly ride out any weakness even in big export markets such as the European Union. But if Emu were to be delayed for a few years there might be more questions raised in Washington. If the tough

discipline, the dangers of a firm euro seemed much more pressing to US officials. That fear seems to have largely disappeared. The widespread view is that any single European currency that does emerge is unlikely to be especially robust.

Rightly or wrongly, US administration officials appear to have formed the view that the inclusion of weaker European currencies in Emu

There is real concern among officials about effect on US economic policy

fiscal conditions in Europe were to continue as the US cyclical expansion began to fade, the effect on US demand would be of greater concern. The higger question is what effect a single currency will have once it is operational. This concern comes down to a simple uncertainty: will

the euro be a strong currency or a weak one? Some US economists had expressed alarm that a super-euro. backed by a firm monetary policy by essentially German-led monetary authorities, might supplant the US long-term US interest rates as the attractions for investors of holding

the dollar diminished. In the early days of Emu prepa-

will mean the euro will tend to look more like the lira than the D-Mark. The principal risk for the US is that it would undermine the country's trading performance. The US runs a substantial trade deficit with the EU, which is likely to deteriorate further if the euro proves as persistently weak as officials expect.

In these circumstances Washington would almost certainly feel vulnerable to domestic political pressures to take a tougher stand with the EU on trade. One likely response would be to lean more heavily on European governments to undertake the kind of reforms Americans believe Europe needs.

The strong US economic performance of the past six years has cre-

many was insistent that the cur- employment performance - 11m jobs rency be backed by tough monetary created in five years - is seen by many as a powerful vindication of the free-market US approach, with highly flexible labour markets, low levels of social protection and limited regulatory interference. What Europe really needs, many economists believe, is not a single currency but a dose of US-style free market reforms.

This leads to one over-arching political anxiety about Emu. There is a sense at the top of the administration that obsession with monetary union has diverted the EU from much more pressing tasks in the post-cold war world.

The most important of these is the integration of eastern European countries. If economic and monetary union succeeds, officials believe, it will make that integration much harder to achieve. If it fails, the demoralising effect on the whole EU could stall integration.

Either way, officials fear, it could prove to have been an error of historic proportions; the opening to the east occasioned by the collapse of communism closed again. The consequence would almost certainly be prolonged political instability.

This is the ultimate fear of many in the US about the EU's current problems. Too often this century, they believe, Americans have been forced to intervene to rescue Europe from chaos. They do not wish to start the next century worrying ated a growing sense of triumphal about whether they might have to

Card groups see euro opportunities

By George Graham, Banking Correspondent

Card payments groups believe that plastic money could be the biggest beneficiary of European monetary

We see tremendous busiwe think plastic will be used a lot more as it will be easier during the transition," said Mr Hans van der Velde. European region cards in issue in Europe. president of Visa, the with spending running at world's largest card consorbusiness centre to help its that spending on cards member banks with adaptation.

banks, which in many respects see the introduction of the planned single currency - the euro - as a costly burden, "As a bank, von have to invest so much money in this that if you can find something to offset ness opportunities because at least a part of the cost, you are going to be very enthusiastic about it," said

Mr van der Velde. Visa has nearly 100m around \$340bn a year. But tium, which has set up a the organisation predicts could triple over the next three to five years.

Some of that increase will be driven by Emu, but Mr van der Velde sees the euro merely spurring a trend, as payments move from the age of paper to a phase in which payments systems become mechanisms for the electronic exchange of information.

The euro, however, will not only help traditional credit and debit cards. Mr van der Velde believes, but also stimulate appetites for stored value cards, or electronic purses. Visa is conducting trials on a card it nity to persuade them at the calls Visa Cash, which can same time to upgrade them be preloaded with money to deal with stored value no harder," and used instead of coins for cards. For Visa itself, con-

small transactions such as bus fares. Mr van der Velde the euro will be a minor savs: "It is an advantage that monetary union and stored value cards are coming along simultaneously, rency, payment card consorbecause the single currency makes it necessary to change and stored value change. Both changes reinforce each other."

Since retailers and vending machine operators will have to change their equipment to cope with the euro Visa sees an opportu-

task. Where most financial software systems operate with only one base curtia by their nature operate in multiple currencies. At its simplest that means makes it necessary to every credit card payment slip already has a hox to stipulate the currency being used, where an ordinary

cheque probably does not. "The technology is very easy. We added 16 new currencies when the Soviet Union fell, without any big disruption, and this will be



For centuries, the English Channel has remained the most famous, if not most impervious, boundary in the world. Now the long-awaited undersea rail link between Great Britain and France-the Channel Tunnel-is open for business.

For this, one of the most daunting engineering projects of the century, it's no surprise that Caterpillar equipment was used to help move 9 million cubic meters of earth and build access roads and entry points on both sides of the channel. Wherever the world's

builders and planners are at work, you'll find Caterpillar equipment and people.

Of course, we were just as busy above sea level last year, shipping \$15.8 billion worth of Caterpillar equipment around the world. But that's only natural.

As the global leader in earthmoving equipment, we're bound to cross a few international borders.

CATERPILLAR

Thai victim of a deadly financial cocktail

in Bangkok

ven if it had been taken earlier, Thai-land's decision yesterday to suspend trading in financial stocks along with a on the banks." host of other emergency measures might not have been enough to prevent the failure of the country's largest finance house.

For months the talk had been which finance company would be the first to fall victim to the deadly cocktail of high interest rates, a slowing economy and a growing volume of bad debt.

Few expected it to be Finance One, the largest of a number of Thai finance houses concentrating on lending to people and companies who find difficulty in borrowing from banks. Led by Mr Pin Chakkaphak, in the early part of the decade the company was a darling of the domestic financial community after a series of audacious takeovers and

sets, the central bank was forced to back a rescue of prevented Finance One from Finance One by Thai Danu Bank at the weekend. The affair exposed Thailand's policy dilemma: how to ensure macroeconomic stacountry's financial system.

The mechanism to achieve this balance has been high interest rates. With export growth slowing and a high current account deficit prompting continuing market jitters, the central bank has raised rates sharply to protect the currency - the baht - from speculators and to keep foreign capital flowing in.

But high rates and other tight money measures have made it difficult for overextended property developfinancial institutions to dan-

currency with high interest analyst. rates is really straining the financial sector," said Mr Lex, Page 16

George Morgan, Thailand Representative of HG Asia and president of the foreign prokers group. "We're moving towards a scenario of

Finance One was the first casualty of the meltdown. While 47 per cent of its loans are in the two problem areas of property and hire purchase - high for the industry its non-performing loans totalled only 4.8 per cent of total loans, well below the

industry average. Depositors have begun flight to quality, withdrawing their money from finance companies and placing it with the bigger commercial banks. This has forced finance companies to turn to the expensive and volatile interbank and interfinance markets - where interest rates have reached as high as 30 per cent.

Analysts say yesterday's ing banks and finance companies to increase provisions for bad debts and raise their capital base, would not have failing. The central bankbacked merger between Finance One and Thai Danu Bank is not likely to be the last. There are many more bility without damaging the troubled finance companies waiting in the wings.

The troubles have been brought on in part by a stock market that has sunk by 44 per cent over the past 14 months, the result of plunging economic growth and corporate earnings.

There is concern now that with so many companies with liquidity and asset quality problems likely to turn to the central bank for help, there may not be enough money to go around.

"If speculators decide to attack the baht again - and I ers to repay loans and have fear that they might - the pushed funding costs for authorities are going to have to make a very clear choice between finance companies "The need to defend the and the baht," says one too Editorial Comment, Page 15:

China joins forum on forex

By William Dawkins in Tokyo

The first regional financial forum to include China will convene today in Japan to discuss greater central bank co-operation to the foreign

China is the world's secand largest holder of foreign exchange reserves, \$105bn, after Japan, which has

Officially dubbed the "six markets meeting," the US-Japan initiative will bring together top central bank and finance officials from the US, Japan, China, Hong Kong, Singapore and Australia.

discuss possible joint action to avert the repetition of a Mexican-style 1995 currency crisis in Asia, and are eager to use the meeting to draw China more into regional economic co-operation.

The six will also discuss financial deregulation and conomic policy. The forum, intended to meet regularly, is seen by economic analysts as another mark of international acceptance of Asia's growing economic impor-

"It is a recognition of the finance company meltdown coming of age of Asian marwhich will put more strains kets," said Mr Robert Feldman, chief economist at Salomon Brothers Asia.

> Like other Asian regional groups, the six markets neeting will concentrate on building contacts and consensus, rather than concrete

US officials have indicated that they want to stress economic deregulation in the That includes region. Japan's plans for a "big bang" financial deregulation by 2001, also to be the subject of separate talks today between Mr Lawrence Summers, deputy US treasury secretary, one of the two US delegates to the meeting, and Mr Hiroshi Mitsuzuka, the Japanese finance minister.

Before leaving Washington. Mr Summers said financial reform was the best way to sustain a dynamic Japa-

By John Ridding in Hong Kong

A senior US treasury official yesterday warned Beijing that mishandling of Hong Kong's transition to Chinese sovereignty would deal a severe blow to its own interests as well as to the territo-"If it encroaches or is per-

ceived to encroach upon Hong Kong's autonomy, Hong Kongers have the ability to make such actions extremely costly - either hy leaving Hong Kong or by transferring their funds," said Mr Lawrence Summers, deputy treasury secretary. "Such changes could be disastrous for the Hong Kong economy, but the loss China would The warning was one of

the clearest statements so far of the importance Washington is attaching to Hong Kong's return to China in

In addition to the significance of its economic interests in Hong Kong, which include accumulated investment of some US\$14bn, the

steps in the transition process, including last month's announcement by Mr Tung Chee-hwa, the territory's US views the handling of the future leader, that he would transition as a gauge of Bei- retain all top policy officials.

jing's moves towards reform

and towards relations with

Mr Summers cited positive

the world community.

surances that have been given at the highest political levels that Hong Kong's sound financial and economic system will remain intact. But the US official said

Tough words from Lawrence Summers (left) and soothing words from Douald Tsang

Mishandling of transition would deal severe blow, says US

Summers warns China on HK

that China's plans to replace

lature and to amend laws concerning civil liberties had raised concerns "It is essential that China

allows Hong Kong to be Hong Kong." he said. "If there is to be some convergence of systems over time, it would be beneficial to all the territory's existing legis- involved that China's system Kong closely." he said.

Kong's." In addition to accumulated Hong Kong investment of almost US\$70bn in Chins, Mr Summers said the territory provided a source of techni

cal expertise in economic and financial management. The majority appears to view transition as someth that China is doing to Hong Kong. But the reversion pro cess... will have just as big an impact on China."

Mr Summers underlined the importance of free information for the Hong Kong system. Dismissing the view that politics and economics could be separated, he said: There is no firewall between economic freedom and freedom in its many other dimensions. The free flow of information is essential to free society, to free markets, and to a strong financial system."

China has rejected criticism of its handling of the transition, describing it as an internal affair. But the US administration has signalled that the handover will be a factor in determining bilateral relations. "We will be watching events in Hong

Tsang dismisses doom merchants

Hong Kong's financial secretary is confident ahead of next week's budget

By John Ridding and Guy de Jonquières

r Donald Tsang, Hong Kong's LVI financial secretary, is at the sharp end of one of the most sensitive aspects of the territory's return to Chinese sovereignty - the defence of its economic autonomy.

Confirmed last month in his post, he must steer the economy through the transition. It will not be easy. own fears over Beijing's hand in drawing up his

plans to replace the territory's elected legislature and amend its laws on civil liberties. But in an interview ahead of his budget next week, which will span the

dismiss gloomy scenarios. The Chinese were not making suggestions. ogres, he said, insisting mistrust of Beijing was excessive. They had a vested interest in Hong Kong's success and a working knowledge of what made the territory function. China's President Jiang Zemin, whom he met last year, clearly understands these

Preparations for the budget, said Mr Tsang, were 'unexpectedly smooth" and Mr Tsang has voiced his he had been given a free plans. "I did not feel any imposition or coercion. Although Beijing had criticised increasing welfare expenditure, the Chinese experts involved in the bud"exceedingly cautious" in The colony's economic sys-

tem, said Mr Tsang, would be entrenched by its membership of international economic bodies. It is a full member of the World Trade Organisation and is seeking increasingly close links with the Organisation for Economic Co-operation and Development, where it is on several committees.

Some Hong Kong officials say full OECD membership has been discussed. But Mr Tsang ruled that out, noting the organisation only admitted sovereign states.

On the domestic front, Mr Tsang was positive about his

and civil liberties laws. "My relationship with C.H. will be the same as with the governor... He will have my 100 per cent loyalty.

One possible source of tension is industrial policy. where Mr Tung has signalled sympathy for greater support for manufacturing. Mr Tsang saw no conflict over this issue or over signals that Mr Tung might assume the financial secretary's power to appoint the head of Hong Kong's *de facto* central

Such a change, said Mr Tsang, would not undermine familiar concerns for any his own position. It would finance secretary. Unforturelationship with Mr Tung merely demonstrate the nately for Mr Tsang, they Chee-hwa, the territory's importance of the monetary ch manages

ences over Beijing's plans the territory's foreign for the territory's legislature exchange reserves, now more than US\$64bn. . Despite Mr Tsang's opti-

mism, he identified areas of concern. One was the risk that Hong Kong might sacrifice its autonomy, whatever also accepted that renewed inflationary pressures could take the shine off robust growth in GDP, expected to reach 5.5 per cent this year. In the absence of monetary tools, his best remedies included an increase in land supply and moves to remove labour market bottlenecks.

Such cyclical problems are pale beside the bigger chal-

India seeks to boost rights of shareholders

By Tony Tassell in New Delhi

The Indian government has proposed wide-ranging regulatory changes to strengthen

Seeking to revamp the

ered by the government. Yesterday's report, pro- business divisions within a

corporate governance and shareholder rights. If adopted, the moves would increase disclosure requirements by companies, make managements more accountable and provide greater regglatory clarity.

country's system of corporate regulation, the Securities and Exchange Board of India, the market regulator, published a new takeover code earlier this year. It is now being consid-

posed in a government committee study, follows funds raised from the capital increasing criticism of the market, a new standardised management style of India's cash flow statement, earnlargely family-dominated corporate sector and its foreign holdings of the share treatment of minority share-

The committee has recom-mended the establishment of a new company law tribunal, a quasi-judicial body to monitor and enforce corporate regulation. This tribunal would have greater powers than the existing company law board and be independent of the government. The committee recommended the mandatory dis- and options.

company, the end-use of ings per share, the level of capital of a company and a more detailed break-up of debt exposures than currently required.

The changes would also limit loans to directors to education, housing and medical assistance and require the disclosure of relatives of directors working at a company. The committee recommended companies be allowed to issue derivatives

Underpants debate strips politics bare

Peter Montagnon on unedifying arguments and proportional representation in New Zealand

sion on such a serious issue as the introduction of proportional representation would revolve round weightier matters than the price of a pair of underpants. But New Zealand, which prides itself on a serious approach to economic and political reform, has surprised itself with a debate at precisely such a trivial level. party seized with glee

The opposition Labour recently on revelations of sleaze concerning Mr Tukoroirangi Morgan, an MP from the New Zealand First coalition partner, Mr Morgan was discovered spending funds belonging to a government-financed Maori television station on clothes from a fashionable Auckland store, including a NZ\$89 (US\$62) pair of boxer shorts.

The affair has obsessed New Zealand not only because it raises concern about Mr Morgan's future as an MP when a by-election could wipe out the fragile majority of the National party/NZF coalition. It also appears to set an unedifying tone for the country's first government under proportional representation. In last autumn's election,

proportional representation gave the country broadly what it wanted: a centreright government which is slightly softer on social policies than the previous National party administration. But the new government's birth was painful, marked by personality

"A lot of New Zealanders thought proportional representation would bring in more openness, greater transparency, solutions to problems and more consenus," says Mr Max Bradford, minister of labour and energy. "Most of these hopes have been dashed. Parliament is incredibly more fractions than it ever was."

Businessmen say coalition government has blunted

driving a wedge between its prime minister, complains that it is focusing on issues, such as Mr Morgan's shopping spree, which are "very much on the small scale in terms of government's over-

all responsibilities". But Labour is still seething over the coalition negotiations. It had itself expected traditional Labour voters. But when the result left Mr Peters holding the balance with 13 per cent of the vote. he toned down most of his policies.

Bolger knows of no way to rule except by mateship'

lower New Zealand dollar and restrictions on foreign investment and stitched up a coalition deal with the National party which gives him a prominent role as treasurer and deputy prime minister. The deal is all the more remarkable because. before he founded NZF in out of the National party cabinet after policy disagree ments with Mr Bolger. Before the election, he had said he would never work in the same government as Mr

Compromises needed to reach the coalition agreement included deferral of tax cuts scheduled for this year and increased spending on health and education. Mr Bolger says that is justified because coalitions are about convergence of ideas.

Bolger again.

decision-making on further little more than an opportu-

n most countries, discus- deregulation, while the oppo- nistic, and possibly temposition sees its task as rary alliance between two destroying the coalition by ambitious men. Mr Peters wants to become prime mintwo parties. Mr Jim Bolger, ister; Mr Bolger is determined to stay in the post at least until autumn 1999 when President Bill Clinton is to visit New Zealand.

> alliance with NZF to stay in power, says Ms Helen Clark, Labour leader. "Bolger" knows of no way to rule except by mateship," she to form a coalition with NZF, says. "What Peters wants, he whose leader, Mr Winston gets." That points to more Peters, held strong appeal to deals which backfire, like It also suggests a focus on

Mr Bolger had to form an

histage 1

funding for Maori television. personalities rather than policles. At centre stage is the enigmatic Mr Peters, a sharp-minded lawyer who knows how to charm voters. Long silences in converse tion betray a desire to give little away. He has stopped talking to the local press and in an interview with the Financial Times was even reluctant to spell out what his party stood for. For some the stranglehold of such an elusive person on He stopped calling for a politics is disturbing. Stability in coalition government comes when a "rational and centrist" party - like the Liberal Democrats in the UK - holds the balance, says Ms Clark. The snag is that the two largest parties, National and Labour, occupy the centre stage. To govern, either must seek out a junior part-1993, Mr Peters was thrown ner which will inevitably represent special interests. Most analysts expect the coalition to hold through its three-year term, not least because it is based on a

detailed policy document. By then NZF will be able to demonstrate a responsible track record, Mr Peters 8875. According to Mr Peters, it will not remain for long the junior coalition party. But if it is to keep growing, he will still have to cast around for a distinctive way of appealing to voters. Proportional Yet for many analysts the representation has a long horse-trading is proof of way to go before it brings

Two unique quarterly credit ratings reference sources from FT nciel Publishing, essential to all players in the intern

CREDIT RATINGS INTERNATIONAL

FT-Credit Ratings International provides the only comparative listing of the credit ratings assigned to around 18,000 international horrowers by the world's leading rating agencies:

• Canadian Bond Rating Service • Dominion Bond Rating Service Duff & Phelps ● Fitch Investors Services ● IBCA
 Japan Bond Research Institute ● Japan Credit Rating Agency Japan Bond Research Instance
 Anopan Letent Ranning Agency
 Moody's Investors Service
 Standard & Yoor's
 S&P - ADEF
 Thomson BankWatch
 In addition multiple ratings of individual issuers are aggregated into the
 unique FT-CRI Composite Index.

CREDIT RATINGS in emerging markets

This directory lists for the first time in a single source over 7,000 redit retings assigned by 34 rating agencies — nine internations and 25 local — to emerging market fixed-income securities in:

Argentina * Bahrain * Bangladesh * Barbados * Belarus Bolivia * Brazil * Bulgaria * Chile * Caina * Colombia Cyprus * Czech Republic * Ecuador * Egypt * El Saivador Greece • Gastemala • Hong Kong • Hungary • India Indonesia • Israel • Jordan • Korea • Kuwaii • Lebanon Liberia • Macau • Melaysia • Mexico • Morocco • Oma Pakistan • Panama • Paraguny • Peru • Pirlippines • Poland Portugal • Qatar • Romania • Rossia • Saudi Arabia pore · Slovak Republic · Slovenia · South Africa Sri Lanka • Taiwan • Thailand • Tunisia • Turkey United Arab Entirans • Urugusy • Venezusia • Vietnam

For further information contact: Marketing Department FT Financial Publishing Maple House, 149 Totter London WIP 9LL, UK.

Fax: +44 (0) 171 896 2319



NOTICE OF ADJUSTMENT OF Alberto-Culver

Company 5 1/2% Convertible Subordinated Debentures Due 2005

NOTICE IS HEREBY GIVEN pursuant to the Indenture dated as of June 30, 1995 (the "Indenture") between Alberto-Culver Company (the "Company") and Bankers Trust Company, as Trustee, and in accordance with Section 1205 thereof:

1. On February 20, 1997, the Company paid a 100% stock dividend on the Company's Class A and Class B Common Stock to holders of record at the close of business on February 3, 1997: The Conversion Rate has been adjusted pursuant to Section 1204(I) of the Indentare to

nation the 100% stock dividend; and ted Conversion Rate is 61.776 shares of Class A Common Stock per US\$1,000 principal amount of Securities (equivalent to a Conversion Price of approxi-mately US\$16.1875 per

Capitalized terms not defined berein shall have the meanings as signed to them in the Indenture.

ALBERTO-CULVER COMPANY By: William J. Carmgel Senior Vice President, Finance and Controller Dated: February 25, 1997



Petroleum Argus CALL for a FREE TRIAL to 1

The FT GUIDE TO WORLD CURRENCIES, published in Month paper and covering over 200 correscies, is now available by dealing the fall studies from the keypod or bindust of your loss mechine. Odd 437 001. hear use and 490/min at all other times. For service natride die UK please seleptroon +44 171 873 4378 für details on Cityline Ins

If you would like to advertise, or require any further information, please contact: Jeromy Nelson Tel: 0171-873-3447 Fax: 0171-873-3062

Burgalij. Alterior activity iem au ent in

House &

142 E 1728 C 1 ...

Shirt .

China in

Hai Linn

W+E 1...

the first first

if the section is

TOP STATE OF

Bai 🕌

SPART .

Piete

Berter L

15 T

**** (T :)

<u>₹</u>

Wall you a

14 7 L

Singital :

· c

trains :

an the

US agrees.

MARIAN SELEC

ben a to-

Service :

At State .

MARKE TO A

Water to

t = 1

bat they

Let 25 . ..

ne sales e

PRINCH.

áta (.

4 11 5 4

BARRE ...

Dieser . . .

Sec Sec.

(達) 6 /

والعابلية أأر

 $\underline{e}_{E_{k}}(X)$

peka be o

4.5

1 c - 1

21 5 15 11 1

i - 1.

2-7-1-11

re-

1 5 7

437

St. "itt:

r 7300

35 F7 ... 파크스 -

a Srie

15 Art

3.0

124 - T

: := ::

622 - -

gyagen i a

, si in 184

. . . .

See a second

(# 1 Janii

Georgia

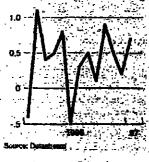
By Gerard Baker

Overall economic activity in the US continues to strengthen, buoyed by faster manufacturing growth, rising personal incomes and consumer spending, and an increase in construction, reports indicated vesterday. Manufacturers reported

an acceleration in activity in February, according to a regular survey by the National Association of Purchasing Management. The NAPM's purchasing managers' index reached 53.1 per cent last month, up from 52.0 per cent in January. A figure above 50 suggests the manufacturing sector is

The improvement was driven by strong increases last month in the number of manufacturers reporting a faster pace of production and new orders. The NAPM survey has pointed to a gradual strengthening of the nanufacturing sector over the last year and the survey suggests improvement is continuing in 1997.

as budget Month on month % charge.



"The past relationship between the purchasing managers' index and the overall economy indicates that the average index for January and February, if continued for all of 1997. approximately corresponds to a 3 per cent increase in real gross domestic product for 1997," said Mr Norbert Ore, chairman of the NAPM's business survey

committee. The report also indicated a steady rise in prices paid by manufacturers. The NAPM price index reported a price rise in February for the third consecutive

month. It was the first time since 1993 that manufacturers had reported price increases for three straight

A separate report pub-lished yesterday by the Commerce Department suggested the broadening economic confidence among US consumers led to a sharp rise in spending in January.
Consumer spending increased by 0.7 per cent from a month earlier to a seasonally adjusted annual rate of \$5,300bm, the strongest monthly gain since last October.

The spending increase was largely attributable to a rise in disposable incomes in January. Incomes from wages, salaries and all other sources rose by 0.3 per cent from a month earlier. The savings rate was unchanged at 5.4 per cent.

The longer term pace of growth in personal incomes and spending is clearly accelerating. In the three months to January, spend-ing grew at an annual rate of 6.2 per cent, as incomes increased by 6 per cent. A year ago that three month trend pointed to spending growth of 4.1 per cent on income gains of 5.5 per cent.

.. The Commerce Department also reported yesterday that construction spending rose by 0.4 per cent in January after a fall of 0.9 per cent in December as private sector non-residential building jumped 2.9 per

The overall implication of the reports is that the US economy is maintaining its robust pace of expension in the first quarter of 1997. Though the growth rate is likely to be slightly slower than in the last three months of 1996, the Federal Reserve may still judge it 100 fast to be consistent

with low, stable inflation. if statistics in the next nonth confirm the continuur strength, an increase in hurt term interest rates by he fed will become more ikely. That could come ither at the next meeting of he central bank's open martet committee later this

Industry US cleans growth up trade economic mission rules

By Nancy Dunne in Wachington

The US commerce secretary, Mr William Daley, yesterday sought to move his department away from the campaign finance scandal enveloping the Clinton administration by announcing a comprehensive policy on participants in trade mis-

Commerce department trade missions, suspended for a 30-day review after Mr Daley took office, will be resumed under a new policy which "expressly puts parti-san political considerations off limits", he said. Trade missions will be widely publicised, and participants will be selected on the basis of specific criteria, mostly by the department's career offi-

The department has been fighting off charges that places in trade missions were given to Democratic party contributors. It has had to make public letters to Mr Ron Brown, the late commerce secretary, and other officials from political friends seeking places on

explain or excuse the past, noting that several investigations were dealing with the charges. However, his new policy included "an express prohibition against consideration of referrals from political parties or references to political contributions or political activities". Any such correspondence would be returned to the

must continue to counter the help given to foreign compa-Asia by ChancellorHelmut per cent US content.

Kohl of Germany, during which the Philippines awarded a \$600m power plant contract to Siemens, and a trip to India by the Canadian prime minister, Mr Jacques Chrétien, which resulted in about \$2.5bn in contracts.

"Our principal economic competitors - France, the UK, Germany, Japan and Canada - spend up to 10 times as much as the US on export promotion," he said. We cannot - and we will not - unilaterally withdraw in a world in which our economic competitors are using all the tools at their disposal to pursue market opportunities aggressively for their

Commerce department trade missions are run for a number of reasons. Some are simply seeking sales, others seek access for US business through the removal of barriers to trade and investment. Other missions seek to advance economic and foreign policy objectives.

In future the purpose of missions will be made clear and be widely publicised. according to the new policy statement. The process for Mr Daley refused to recruiting participants explain or excuse the past, would be "clear, objective and transparent ... We will ensure that, in every case, there is a demonstrably legitimate business purpose for the inclusion of each private sector participant that is consistent in every respect with the mission

Companies which had business pending with the department would not be He said trade missions included if it apparently presented a conflict of interest. If they were seeking to nies by their heads of states market goods or services, and senior ministers. He spe- they must be able to certify cifically cited a mission to they contained at least 51

AMERICAN NEWS DIGEST

Peru, Cuba in hostage talks

President Alberto Fullmori of Peru beld talks in Havana yesterday with Cuba's President Fidel Castro on a possible asylum destination for Peruvian rebels holding 72 hostages at the Japanese ambassador's residence in

The Peruvian leader, whose visit was not announced in advance, flew in from the Dominican Republic, where he had held conversations on Sunday with his counterpart, Mr Leonel Fernandez, about possible solutions to the

Peru has been consulting several Latin American and Caribbean governments to see whether they might be willing to grant asylum to the members of the Tupac Amaru Revolutionary Movement (MRTA) commandos who took over the residence in Lima on December 17. The rebels have been demanding the release of more than 400 of their comrades from Peruvian jails. Mr Castro has used his government's historic links with Latin American leftwing guerrilla movements in the past to help solve siege and hostage incidents. Pascal Fletcher, Havana

Embargo 'hits Cuban health'

The tightening of the US embargo against Cuba in 1992 has had a devastating impact on the health of ordinary Cubans, with patients often denied essential drugs and doctors performing procedures without adequate

equipment, according to a study released yesterday. The Washington-based American Association for World Health said the impact had been particularly severe on women, children, the elderly and people with chronic

The study was based mainly on a trip to Cuba last October by nine medical experts, who visited 46 patient care facilities and 15 non-governmental organisations in

The US State Department has said Cuba's health problems are caused primarily by what it calls Cuba's failed system.

AP. Washing

Venezuelan bolivar slips

After nearly a year of unprecedented stability, the Venezuelan currency has depreciated from 470 bolivars to the US dollar early last week to 484 bolivars yesterday. Market sources said the bolivar lost ground in response to recent pay deals which it was thought would endanger the government's 25 per cent inflation target.

The price basket of Venezuelan crude oil, the country's main export, also decreased from \$21.53 a barrel in January to \$18.68. Economists said a drop in oil prices could force the government to adopt another package of austerity measures in 1998.

The bolivar's depreciation amounts to only 2.8 percentage points, but analysts said it marked a new central bank disposition to reduce its interventions in the currency market and allow the bolivar to depreciate more rapidly. Accumulated inflation since last April, when the currency was floated, amounts to 47 per cent and the central bank expected a monthly currency depreciation of Raymond Colitt, Caracas

Toronto smokers fuming

Canada's toughest anti-smoking law took effect in Toronto yesterday, infuriating bar and restaurant owners who face heavy fines and fear customers will flee to smoker-friendly bavens in the suburbs.

The law prohibits smoking at all 4,500 bars and restaurants in Canada's largest city unless owners create sealed, separately ventilated smoking rooms. Only two establishments have applied for building permits to comply with this provision.

Smokers who defy a request to stop smoking and owners who refuse to post no-smoking signs face fines of

Airline's big headache from small jet

Richard Tomkins on American Airlines' dispute over regional aircraft

of the future is already flying in the US - and it is not supersonic, super jumbo, or super anything else.

The jet is just a 50-seat puddle-jumper carrying passengers between small towns and cities. Yet this seemingly insignificant aircraft lies at the heart of a dispute threatening American Airlines, the second hippest IIS carrier, with a potentially devastating strike. Last week a Presidential

Emergency Board started attempt to find a solution to the row between American Airlines and its 9,000 pilots. But the clock is ticking: the board has only 60 days to do On the face of it the dis-

pute is over pilots' pay. But a more intractable issue is who gets to fly the new generation of small jet aircraft. known as regional jets, that are appearing on less heavily travelled mutes. Traditionally, lightly used

routes have rarely generated enough traffic to justify the use of big, expensive jets. Instead, US airlines - or, more often, their commuter affiliates - have serviced the routes with small, propellordriven aircraft.

Unfortunately, US passengers dislike turbo-props, seeing them as cramped, noisy and unsafe. Hostility became acute after the crash of an American Eagle ATR-72 turbo-prop aircraft in Indiana in 1995, which killed 68. Such is the antipathy

towards turbo-prop aircraft that many people will drive long distances to avoid using a Boeing 737, which seats them. Some towns subsidise



Up and away: Brazilian aircraft maker Embraer's EMB-145 is competing for a share of the ming regional jet market

airlines to provide them with a loss-making jet service for fear that a turbo-prop service would hinder their economic development.

Late in 1992, however, Bombardier, the Canadian aerospace and transit equipment group, opened the way for a minor revolution in air travel when its Canadair subsidiary launched a 50seat jet called the Canadair Because the aircraft was a

stretched version of the group's existing Challenger business jet, Bombardier was able to cut research and development costs and offer the new aircraft at an economical price. The current list price of

US\$19m is about half that of

The Canadair Regional Jet has proved a big success for Bombardier: the company has already delivered 154 around the world and has firm orders for another

Last year Embraer, the Brazilian aircraft maker, jumped into the same market niche by launching its rival 50-seat EMB-145. Then, last month, Bombar-

dier announced a \$475m programme to develop a 70-seat version of the Canadair Regional Jet, the Series Bombardier, which also

makes the world's best-selling turbo-prop, the de Havilland Dash 8. says the days of propeller-driven aircraft are far from over. Mr Pierre Lortie, president of Bombar-

sion, says jets only really score over cheaper turboprops on longer journeys, when their greater speed and productivity come into

Basically it's determined by distance," Mr Lortie says. "Any flight of an hour or less should remain with turbe-props, and any flight of over an hour should be a

Even so, regional jets are quickly gaining ground in the US and elsewhere. Their range means they can bypass traditional hub-andspoke operations and offer point-to-point service on long, thinly travelled routes that were previously unprofitable.

Air Canada, for example, has used its fleet of Canadair ately large amount of troudier's regional aircraft divi- Regional Jets to open up 11

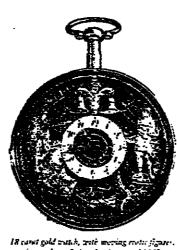
routes between Canada and the US in the last two years. Mr Walter Coleman, president of the Regional Airline Association, a US industry body, says the new jets already account for 4 per cent of the US fleet of 2,200 regional aircraft. The proportion is expected to leap to 10 per cent by the end of the

American Airlines is feeling the effects because the commuter affiliates of Delta Air Lines and Continental Airlines, two of its biggest rivals, have emerged as some of the most enthusiastic buyers of these regional

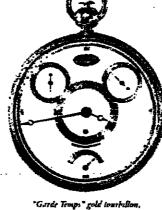
In order to compete, American Airlines' own commuter affiliate. American Eagle, needs to start flying them

American Airlines' pilots are strongly opposed to this as they fear the proliferation of small-jet routes will vices flown by big aircraft, taking away their jobs. Instead, they want to fly the small jets themselves; but since they are paid about three times as much as American Eagle pilots -\$120,000 a year on average, compared with \$35,000-\$45,000 - American Airlines says this is not viable.

The airline argues that the new jets will eventually create more jobs for its pilots by feeding more passengers into its network but it has failed to convince its pilots. Unless the Presidential Emergency Board can do better, these little aircraft could soon prove to be the source of a disproportion-



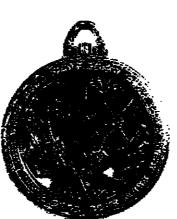
francophora Stritamiana, around 1830





Patek Philippe, Genera, around 1931

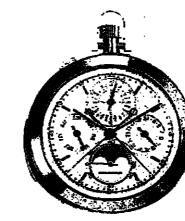


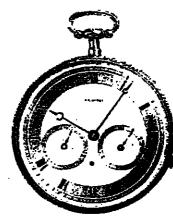


Magerfuert 18 carat gold scriptor water. Royama, Vai de Joux, anamá 1480.



De with said. 18 caret estronomical sold weich.





and clare, Charles Ondin, Paris, around 1810



Longines, St-Smith, as and 1922



A. Golas & Leiciès & Fils, General, around 1900



"Bras en L'Air" platinum watch with figure bands Vacheron & Constantin, Geneva, around 1955



We may not know as much about "Breguet" and "Vacheron & Constantin", but Asset Allocation and Stockpicking are our areas of expertise.

A collector of watches recognises intricacy and superior bring to our individualised services allow us to execute craftsmanship where a layman sees barely your investment goals with precision and UBS Private Banking more than the time. Happily, we have our area expertise, and establish relationships based of expertise, too. UBS is not only the largest on discretion, security and trust. This means Expertise in macaging 30m anter Swiss bank but it is also a leading global asset you can safely invest just a minimum of



Zarich, Geneva, Lagune, Lazemhourg, London, New York, Hong Kong, Singapore UBS Private Banking is regulated in the UK by IMRO

manager. The Swiss quality and banking tradition that we time managing your portfolio, and more on your hobby.

non criti

tractor plant

New Holland, the world's second biggest maker of tractors, is investing \$50m in a plant in India in a move aimed at introducing some of the concepts from car manufacturing into the agricultural equipment industry.

The plant will make "world tractors". based on standard designs devised in the west, for export as well as being sold in the domestic

It is the first effort by one of the world's four big makers of tractors to set up a factory in India - seen as a potentially vast market for agricultural equipment under its complete control.

The tractor industry in India is now dominated by local manufacturers producing machines that, by west-ern standards, are low in power and technology, and which cost an average of about \$6,000. That compares with the \$30,000-\$50,000 price tag of tractors sold in west-

ern Europe and the US. Mr Umberto Quadrino, chief executive of New Holland, which is 69 per cent owned by Fiat of Italy, said the Indian project was a "breakthrough" with "tremendous opportunities for

exports. In negotiations with the Indian government. New Holland was given permission for 100 per cent ownership of the plant, instead of the normal practice in Indian manufacturing ventures, where foreign investors share the stake with a local company.

Other companies have also successfully argued that at 10 per cent or so above their industries are strategically important in helping New Holland warning on UK

per cent owned manufacturing ventures. These include Hyundai in cars and Volvo in trucks.

New Holland's plant near New Delhi will make tractors based on designs it already produces in Italy, Mexico and Turkey. However, they will be modified to provide "no frills" machines for the Indian market.

Although initially the tractors will be mainly for India, ultimately the machines could be sold with some modifications to other countries both in Asia and further afield. Mr Quadrino said India's low manufacturing costs would be a positive factor in helping exports.

The factory is expected to start up in 1998, when it should make about 18,000 machines a year. At full capacity, around 2003, annual output will be about 35,000 tractors - making it among New Holland's biggest plants. Employment should reach about 1.000 by early next century.

Farmers in India buy some 200,000 tractors a year compared with tractor sales of some 450,000 a year in western Europe, North and South America and eastern Asia excluding China. However, models in India

mainly use 1960s technology, sometimes based on licence agreements from the rest of the world's big four tractor makers - Agco, Deere and Case, all of the US. New Holland will make

35-75 horsepower machines at the factory that are slightly more powerful than most indian tractors and sell current prices in India. India's economy and have investment. Page 8

India to get | Portugal pins hopes on world-class | Algerian gas supplies

Pipeline project will offer a competitiveness boost and aims to provide 10% of primary energy needs. David White reports

as has begun flow-ing in Portugal in one of the largest industrial projects ever undertaken in the country. The gas comes along a spur of the Maghreb-Europe

pipeline, which last year began bringing supplies from the Hassi R'Mel field in the Algerian Sahara through Morocco and across the Strait of Gibraltar to Spain.

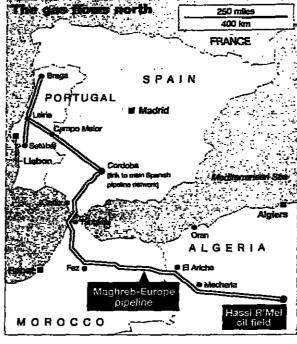
With financial support from Brussels, Portugal has invested \$1bn out of the total \$2.5bn which has gone into the 2,300km pipeline. The last country in the

European Union to obtain supplies of natural gas, Portugal views the inauguration as strategically significant on three levels - providing industrial users with a competitive energy source, promoting regional develop-ment, and creating the country's most important single economic link with its Iberian neighbour and with north Africa Remarkably for Portugal,

its part of the pipeline project has been finished on time and within budget. Total investment by Transgás, the Portuguese partner, owned by mostly state-sector shareholders, will rise to about \$1.3bn when storage facilities in the centre of the country are completed. A further \$1.2bn is expected to be spent on local gas distri-

bution and power stations.

To mark the ceremonial opening of the taps, 400 international guests at a palace near Coimbra were treated to a display of laser lights, a multicultural songand-dance show and the ministerial speeches of the together we will meet the challenge" variety. The one possible snag in



the whole venture is that Portugal has made itself wholly reliant for its gas on a country which has been engaged in a brutal internal conflict for the last five

Mr Elias da Costa, Transgás's president, admits to being concerned about this new energy dependence. But, like the Spanish, the Portuguese are gambling on the theory that no possible government in Algiers would ever put gas exports at risk. "Algeria has never failed in all the time it has been supplying Spain, Italy and France." he says.

However, in addition to the 2.5bn cubic metres of gas it is due to receive annually from Algeria, Transgás plans to diversify its sources with a 500m cubic metre annual

purchase of Nigerian gas, starting in 1999, supplied through a terminal at Huelva in south-west Spain. It aims to back this up with an emergency supply deal just in case. Depending on how demand develops in both Portugal and Spain, it is also thinking of building its own Atlantic plant to receive shipments after the turn of the century.

Portugal agreed to join the Maghreb pipeline venture only in late 1994, tearing up a project with Gaz de France for shipping liquefied gas and constructing a regasifi-cation plant at Setúbal, the industrial port south of Lis-

Transgås took a 28 per cent stake in the Spanishcontrolled venture responsible for the pipeline between WORLD TRADE NEWS DIGEST

sign IT accord

The Philippine government has said it will sign the World Trade Organisation agreement on reducing tariffs on a series of information technology (IT) products. The Philippines will initially end tariffs on non-sensitive IT goods in 2000, followed by the removal of tariffs on all IT goods five years later. IT goods now are subject to tariffs of between 3 and 20 per cent, Mr Cesar Bautista, trade and industry secretary, said

the government had agreed to sign the IT agreement following the end of local opposition to the move. Manila has delayed endorsement of the accord until now because of concern from local groups which make their own IT goods. The move follows pressure from the US which has been urging members of the Asia Pacific Economic Co-operation forum to liberalise their IT sectors. Apec accounts for about 60 per cent of world IT trade which totals about \$500bn a year and is expected to double by Justin Marazzi, Manila the end of the century.

Coca-Cola's \$1.7bn expansion

Coca-Cola has unveiled plans for a five-year 45bn peac (\$1.7bn) expansion programme in the Philippines through Coca-Cola Bottlers Philippines (CCBPI), a joint venture with San Miguel, the local food and beverage giant. The Santa Rosa plant in Laguna will be one of the

world's largest soft drinks manufacturing complexes with an initial annual production capacity of more than 31m cases. It will manufacture products in plastic bottles and cans. CCBPI is the Philippines' market leader with 75 per cent of the soft drinks industry.

Mr Doug Ivester, president and chief executive of Coca-Cola, said the Philippines was "one of the best performing Pacific Rim economies [and] one of our piggest and most important markets internationally." The company's investments in Laguna would give further impetus to developing an industrial corridor in the Justin Marozzi. Manilo Calabarzon area, he said.

IBM in China parts venture

IBM China, a unit of IBM of the US, yesterday said it had set up a parts manufacturing joint venture valued at \$42.5m in Shenzhen. IBM China has teamed up with China Great Wall Computer Group and Shenzhen Kaifa Technology to make magneto-resistive head gimbal essemblies - components used to manufacture hard disc drives. The venture, IBM's largest in China, will employ about 1,000 people.

 Budapest has awarded a 25-year-contract to upgrade and run its drinking-water distribution system to a consortium led by Lyonnaise des Eaux of France and including Germany's RWE Entsorgung.

Lyonnaise, France's second largest water-based conglomerate, said its bid had been chosen in preference to those of rival consortia including Generale des Eaux, its bigger domestic rival, and Saur, France's third largest water group. Leyla Boulton, Environment Correspondent

urged to curb fur imports

By Caroline Southey in Brussels

yesterday urged the EU to impose, the proposed deal with Canada and EU negotiators have failed to strike without delay, an import block on furs Russia was a "sham" which would not from animals caught with leg-bold reduce the suffering of trapped anitraps. The groups also denounced a mais. The group called on the environdeal the EU is proposing with Canada and Russia on banning the use of some

The call came as environment ministers confirmed their earlier rejection of a provisional deal struck between EU negotiators and Canada and Russia. The ministers have insisted that any agreement must ensure a comprehensive and immediate ban on the use of all leg-hold traps. EU foreign ministers have also called for fresh negotiations with the two countries with a view to firming up the proposed deal.

umbrella body for 15 leading animal European Union environmental groups welfare organisations in the EU, said ment ministers to maintain "the toughest possible line" in negotiations.

Eurogroup also attacked the Commission for postponing a decision on banning fur imports. "The Commission has decided again and again to postpone the import ban in fear of a threatened trade dispute. Nothing is being achieved to protect animals against cruel trapping methods," Mr David Wilkins, director of Eurogroup,

An EU official said negotiations with Canada and Russia would resume on

Eurogroup for Animal Welfare, an March 17. He said talks with the US would begin once a deal had been struck with the other two countries. even a preliminary deal with Washington which is demanding the right to continue using steel-jawed traps if an alternative trapping method cannot be

EU environment ministers have led the campaign for a ban on "inhumane" trapping methods in the US, Russia and Canada, the three leading furproducing countries. However, this issue has been caught up in a wider dispute within the EU, particularly on what concessions the union should

offer to secure an agreement.

The US and Canada have said they will refer any import ban on fur to the World Trade Organisation.

Algeria, EU

By Roula Khalaf in London

Algeria and the European partnership agreement Algerian industry prepare which aims to bring Algeria into a free trade zone encompassing the EU and southern Mediterranean countries

within 12 years. The agreement falls within the framework of the Barcelona process designed to forge closer co-operation between Europe and Mediterranean neighbours to help develop Mediterranean economies and stem the spread of Islamic fundamentalism. Agreements have already

been signed with Tunisia,

Morocco, Israel and the Pal-faces huge difficulties and, the EU are being watched estinian Authority.

the Algerian-Moroccan bor-

der and Córdoba in southern

Spain. Apart from Portugal,

the project is seen as a

future supply route to the

markets of France and Ger-

The Portuguese section now consists of about 600km

of buried tubing, crossing

more than 1,400 roads and

three main rivers. It runs

west from Campo Maior on

the Portuguese Spanish bor-

der near Badajoz, to a point

near the town of Leiria

where it connects with a

north-south line, with Setu-bal at one end and the north-

ern city of Braga at the

other. Another 75km stretch

is being built from Braga to

Spain's north-western Gali-

cia region.
Links from the main pipe-

line to local distributors and

industries account for a fur-

Up to now, only Lisbon

has enjoyed the benefit of

mains gas - due to be

replaced in future by natural

gas. Cities such as Oporto,

Coimbra, Aveiro, Leiria and

Setúbal will start receiving

supplies soon, and the net-

work is due to reach into the

interior to Guarda, Viseu.

Castelo Branco and Portal-agre by the end of next year.

In a country up to now

overwhelmingly dependent

on oil, gas is set to provide

around 10 per cent of pri-

mary energy needs. Trans-

gás reckons the cost savings

for industries such as ceram

ics will bring significant

Portugal has seen only one industrial investment larger

than this one - the \$2.6bn

AutoEuropa joint venture

between Ford and Volkswa-

gen, inaugurated two years

ago. Not surprisingly, it will

be the first client for the gas.

gains in competitiveness

ther 279km.

for competition with European goods. European access to agriculture products, a main sticking point for other Mediterranean countries, is not likely to present a problem for Algeria, a net importer of food. But the country, battered by five years of struggle with Islamic militants, will baulk at the speed at which the EU wants tariffs dismantled and is likely to ask for exemp-

tions on certain products.

Algerian industry already

and administrative constraints which prevent it from renewing equipment and competing with foreign goods. Attracting foreign investment is at the top of Algeria's agenda. But outside the

agreeing to reduce barriers.

Production in the bloated

public sector declined last

year, while the private sec-

tor faces a shortage of credit

oil and gas sector, the violence deters interest. Algeria's negotiations with

with legislative and local more for their political con-The EU has allocated elections planned for this text. A standard clause in Union today open talks on a Ecu4.6bn (\$5.3bn)to help year, the government is the agreement commits likely to tread carefully in Algiers to respect cratic principles and human rights. European officials say Algeria is eager to see the agreement signed and will agree to a clause which will give the EU a tool to make disbursement of aid conditional on politicaldevelopments.

A European official in Brussels said an agreement did not signal EU endorsement of Algeria's political record, although there were indications of progress towards greater democracy.



Fares shown are one way, exclusive of tax, Subject to availability. ATOS 4235 Call Debonair on 0541 500 300

night, unless you want to!

debonair



MEET THE NEW GOVERNMENT OF ROMANIA!

With the last elections, Romania achieved its democratic process - thanks to the new government which enjoys a strong support from the international community, a very important country in central Europe is now an exceptional place for trade, exchanges and investment in a confident and peaceful atmosphere - The President of Romania Mr E. Constantinescu, The Prime Minister Mr. V Ciorbea and The Government of Romania invite you to participate in the

Crans Montana Forum in Bucharest BET THE NEW GOVERNMENT AND BUSINESS CIRCLES OF ROMANIA Bucharest, March 20 to 23, 1997

Information and Resistration Forum de Crans Montana, 3 Cours de Rive CH-1204-Geneva Phone: 4122.3109395 Fax: 4122.3109905

GIVE US A STAPLE

And don't forget to add your cheque to fund more Macmillan Nurses to help 1,000,000 people living with cancer. (I in 3 of us will get cancer) Cheque amount L..... made out to 'CRMF (F3)'

Please send it to: CRMF FREEPOST LONDON SW3 3BR Macmillan

Cancer Relief Macmillan Fund exists to suppor people with cancer and their families.

INTERNATIONAL ECONOMIC INDICATORS: BALANCE OF PAYMENTS

frace figures are given in billions of European currency units (Ecu). The Ecu exchange rate shows the number of national currency units per Ecu. The nominal effective

I UNITED STATES **JAPAN** # GERMANY A1.6 2.0710
42.4 2.0739
51.5 2.0687
-14.6 2.0760
42.4 2.0739
51.5 2.0687
-15.0 2.0187
-11.6 1.9337
-18.6 1.9396
-16.1 1.8509 -140.6 -131.8 -100.2 -99.3 -79.3 -53.5 -65.2 -98.7 -127.0 -122.8 -131.8 -153.4 0.9836 -144.1 1.1541 -107.4 1.1833 -94.3 1.1017 -72.7 1.2745 -6.0 1.2391 -47.5 1.2957 -85.4 1.1705 -125.2 1.1857 -114.6 1.2928 87.2 165.11 75.5 166.58 67.0 151.51 53.4 151.87 28.5 183.94 57.4 166.44 86.7 164.05 112.5 130.31 110.6 120.31 110.6 120.31 85.5 121.43 52.7 136.24 81.4 71.9 67.0 70.0 66.7 65.7 64.4 66.3 65.1 61.2 64.4 127.7 138.8 153.7 147.0 132.5 143.7 150.7 161.0 194.9 204.8 177.7 208.9 194.7 218.7 245.5 220.0 249.4 256.6 300.4 325.1 331.3 320.0 248.5 254.4 272.6 310.1 324.6 327.6 330.9 325.2 360.3 404.4 53.5 56.8 67.4 65.1 51.8 11.1 16.8 30.6 37.8 45.9 121,2 126,2 122,3 129,0 -30.6 -32.7 -36.3 -32.2 1st qtr.199 1.2570 1.2362 1.2613 1.2557 12.2 132.92 12.2 132.90 14.8 137.43 13.3 141.72 -27.7 -32.6 -36.0 63.7 64.6 64.4 65.0 78.6 81.7 78.5 81.2 182.0 180.8 176.9 171.2 11.6 11.5 14.5 2nd qtr.1996 3rd qtr.1996 4th qtr.1996 1,9217 n.a. 1.2634 n.a. 1.2536 n.a. 1.2541 n.a. 1.2421 n.a. 1.2383 n.a. 1.2583 n.a. 1.2588 n.a. 1.2587 n.a. 1.2538 n.a. 1.2538 4.3 133.43 3.4 132.49 4.5 132.84 2.8 133.12 4.6 130.67 4.8 134.91 4.7 137.21 6.5 136.84 3.7 138.24 3.9 140.92 5.8 142.64 3.6 141.59 39.1 41.2 41.0 41.6 42.8 41.9 40.0 41.3 41.0 42.9 43.0 -11.5 -8.3 -8.8 -10.5 -11.7 -10.4 -12.4 -11.3 -12.6 -10.1 -10.0 -12.1 182.1 182.1 181.9 180.7 183.1 178.2 176.8 176.2 175.7 172.2 171.8 1,8460 1,8377 1,8528 1,8715 1,8826 1,9921 1,6888 1,8908 1,8957 1,9157 1,9207 1,9288 -2.7 0.5 -0.6 -0.6 -1.5 -1.4 -2.5 -2.3 -0.7 -0.7 # FRANCE T ITALY

WUNITED KINGDOM Eta eschaege este Ellection earth. rath Current account balance Sca enchange Title 3.0 6.7946 -3.7 6.9285 -3.4 7.0354 -3.6 7.0169 -7.2 6.9202 -4.9 6.9543 2.9 6.8420 8.0 6.5539 12.4 6.4460 6,4968 1461.6 1494.3 1536.8 1509.2 1523.2 1531.3 1591.5 1836,7 1908.8 2106.4 1932.1 127.1 128.3 141.9 162.9 170.1 175.4 182.5 178.6 198.8 222.1 231.2 102.7 102.7 100.6 99.8 103.8 102.1 105.4 109.1 110.1 113.4 113.3 99.4 101.0 106.3 127.8 133.6 137.0 137.9 144.9 161.4 182.0 101.4 101.1 97.7 98.6 100.1 98.7 95.6 80.5 77.0 69.4 75.8 1st qtr.1996 2nd qtr.1996 58.0 56.2 58.2 58.8 113.9 113.4 6.1 6.3281 73.2 76.9 76.7 77.6 1976.7 -1.6 0.8208 0.6 0.8113 -0.1 0.8113 3.2 6.3772 4.3 6.4242 6.4976 1922.3 1918,4 1911.2 3rd qtr.1996 4th qtr.1996 2.5 6.3221 1.7 6.3188 2.0 6.3484 0.6 6.3489 1.2 6.3707 19.2 18.9 19.9 18.5 19.3 18.5 19.6 19.5 20.2 18.8 19.9 1.3 1.6 1.8 0.5 1.5 1.5 1.5 2.6 1.4 1.7 114.4 2001.4 1969.6 1968.1 1844.9 1912.2 1909.8 1918.1 1923.8 na 0.8254 na 0.8159 na 0.8212 na 0.8201 na 0.8031 na 0.8085 na 0.8085 na 0.7642 na 0.7642 na 0.7642 13.6 16.3 18.0 16.2 18.1 17.4 19.7 11.9 16.0 19.1 17.1 72,4 73,3 74,0 74,8 76,2 76,6 76,4 77,0 77,5 77,2 78,1 0.f 2.1 2.7 2.3 3.9 3.7 6.3 3.5 1.4 4.0 3.0 113.7 113.7 113.9 113.0 113.7 113.2 112.8 112.8 112.6 111.9 1.5 6.4121 0.0 6.3965 1.6 6.4231 6.4532 6.4770 6.5001 1913.2 1911.4

Due to the introduction of the single market, EU countries are currently changing to a new system of company trace statistics. All trade figures are seasonally adjusted, except the Italian sense and the German surrent account, imports can be derived by subtracting the visible trade behance from exports. Export and import data are calculated on the fire on board) basis, except for German and italian imports which use the CF method (including carriage, incurrence and irregist changes). Germany. The nominal effective exchange rates are period overages of Bank of England made-weighted indices. Data supplied.

Datastream and WEFA from national government and central bank sources.

agencies.

hover staff

il.7bn expan

and the 毒性ない。シュ p TE parts war

Mr Sanidi said the programme was on track but he now concluded that placing a company on a privatisation list was detrimental. Such a list demoralised management, scared workers and stopped investment, he said.

Morocco should instead create a list of companies. which were not to be privatised and allow the ministry

lines, Clinton critical of acco Israeli homes plan

> By Patti Waldmeir Judy Dempsey in Jerusalem:

US President Bill Clinton yesterday criticised Israel's decision to build homes for Jews in Arab east Jerusalem as he welcomed Mr Yessir Arafat. Palestinian leader, to the White House. "I would have preferred

the decision not to have been made because I don't think it builds confidence," he said at the start of a meeting with Mr Arafat. "I think it builds mistrust."

Mr Arefat, who has used his visit to the US to try to build American opposition to the israeli plan, said the Har Hama project was designed "te squeeze and isolate Jeru-

He said in Washington on Sunday night that the plan violated accords and was aimed at further dividing the West Bank. However, he did not repeat a threat made on Saturday that he might Arab neighbourhoods Many Har Homa project. They said declare an independent Palestinian state in response to

series of visits by Middle

most recent crisis empted.

Mr Benjamin Netanyahu, Israeli prime minister, met Mr Clinton last month News of the planned settlements included in January's could jeopardise the more positive relationship between the two men, which Israeli officials hailed as the Hebron. It was agreed the

Mr Hosni Mubarak, the March". Egyptian president, and Jor- The t dan's King Hussein later this

Mr Arafat left the White House after a 90 minute meeting without making further comment. He later attended a lunch with Mrs. Madeleine Albright, secre-

In Israel, Mr Netanyahu toured parts of east Jerusalem vesterday in an attempt to deflect criticism from the denied that delay in imple Har Homa project. He repeated his pledge to upgrade the infrastructure of to the construction of the shops and schools were the more rightwing and closed in protest. nationalist parties in the

Meanwhile, Israeli officials Mr Aralat's visit - part of said they did not expect to series of visits by Middle complete by next Friday the East leaders to Washington first of three troop withdraw- ment.

was planned before the als from rural areas of the West Bank. .

The long-overdue redeployments, agreed in the 1995 Oslo peace accords, were Hebron deal which led to an Israeli troop withdrawal from the West Bank town of main achievement of that initial phase of the redeployment would be "carried out Mr Clinton plans to meet. during the first week of

The three redeployments will give the Palestinian Authority control over areas of the West Bank currently under Israeli military administration but under Palestinian civilian rule.

The extent of Israel's with drawal is unclear, but the last redeployment should take place not later than mid-1998. Israeli officials yesterday

menting the first phase of conservative Likud coalition led by Mr Netanyahu were opposed to the first redeploy-



Yassir Arafat greets members of Washington's Arab community at a Palestinian-American Congress dinner American immistry official responsible

Threat to insurer over Holocaust compensation

Israel MPs to debate action on Generali

and Norma Cohen in London

Israeli parliamentarians will tomorrow discuss measures pel Assicurazioni Generali. the Italian insurance comfamilies of insurance policyholders murdered by the Nazis during the second world war.

Generali is poised to acquire a controlling stake in Migdal, one of Israel's leading insurers, in a deal valued at about \$330m. "We will not accept the foot-drag-ging this time," said Mr Michael Kleiner, an MP and [parliament] insurance subcommittee, who has spearheaded a campaign to force Generali to pay out on dormant insurance policies.

Mr Abraham Hirschson, an MP and chairman of the sub-committee for the restitution of Jewish property. along with members of Mr Kleiner's insurance subcommittee will be questioning Mr Doron Shorer, a finance

for the insurance industry. compensation fund. He said whether it is possible to delay completion of the sale or the US against Generali. until it is established that Generali is not purchasing Migdal with assets belonging to Holocaust victims or their heirs. Mr Kleiner said the MPs would also demand that Generali agree to open files in a warehouse in Trieste, northern Italy, to indepen-

dent Jewish organisations. Yad Vashem, the Israelibased Holocaust research institute, estimates 60 per cent of the "tens of thousands" of policies lodged in that warehouse belonged to Jews who survived or perished in the Holocaust.

Generali was formed in 1831 by a group of Jewish insurers and built up a significant market share in eastern Europe, particularly from the concentration among Jews.

Mr Hirschson compared "originally said they had no dormant accounts of Holocaust victims, but recently conceded and established a Swiss offices.

The MPs want to know plans were under way for a class-action suit in Europe Generali has rejected responsibility for these claims, saying that all of

> the post-world communist Ms Elisheva Anspacher, a lawyer for 15 families seeking proceeds of Holocaust victims' Generali insurance policies, is pressing legislators to delay the purchase of

their eastern European

assets were expropriated by

Migdal until some compensa tion is agreed. Generali has insisted her clients produce the original policies before it will pay claims, according to Ms Anspacher. "Most of my cli-ents didn't have their documents when they came back

On Sunday the weekly the Generali case to that of Swiss newspaper Sonntags Swiss banks which also Zeitung said Swiss life insurers collaborated with the names or information" on Nazis and agreed in 1944 not to pay out on German Jews insurance policies from their

UN agencies clash over staff

By Bernard Simon in Toronto

A row between two UN environmental agencies has been further stoked by accusations that under-performing staff will be dumped in one of the groups.

The Montreal based secretariat of the Convention on Biological Diversity (GBD) has accused the United Nations Environment Programme of forcing it to hire. Unep officials whose jobs are

delayed administrative and other reforms which would result in significant staff shrinkage, The UK, US and Spain last

month withheld their 1997 contributions to the Nairoblbased agency after Insia, Bangladesh and Columbia led a move among developing countries to block the groposed reforms.

The long-running dispute ith the CRD commissed in with the CRD commi Unep dispatching its ombudeman to Canada last tor, earlier voiced concern to Mr. Calestons Juma. CBD executive secretary, over "complaints...about the

cformance at a high level of the [CBD] secretariat". Ms Dowdeswell, a Canadistriction is due to step down at the end of the year. She has been criticised by some member states for failing to implement reform with sufficient vigour.

According to Ms Dowdeswell, the allegations against Mr Jama and his staff "are threatened by budget cuts. . at the moment unsubstan-

> The CED, set up after the 1992 Rio de Janeiro summit nally independent of Unep. However, Unep administers its budget and controls regardinant of personnel.

Business and the Environment, which has close ties to the CBD, said the pressure to hire departing Unep offi-cials had "stymied" the secretariet's work. It alleged that many of the departing employees were "the same week. Ms Elizabeth Dowds-swell, Unep executive directits current state of affairs".

Morocco urged to amend its privatisation law

Morocco should amend its privatisation law and scrap the system of listing companies awaiting sell-off, according to Mr Abderrahmane Sasidi, minister of privatica-

Under the 1989 privatisa-tion law, even the selling of minority stakes in affiliates of state extitles requires parliamentary approval. But Mr Saaidi said in an interview that these stakes should be sold to the public by the enterprises concerned, with-out going through parlia-

Morocco's sale of its public sector, which accounts for about 18 per cent of gross domestic product, get of to a healthy start in 1993. But the best companies were sold first and the pace has slowed as the privatisation ministry struggles to shed less popular concerns. Only 49 of the original 112 compa-nice on the privatisation list have been sold, raising just

stages, including the shadding of a 70 per cent stake in

when it was ready to sell

However, Mr Sasidi has had difficulty getting his ties in Morocco, yet every sale still generates heated debate. Parliament is opposed to Mr Saaidi's proposels, which would dilute its powers over the sell-off process. It is, however, ready to add new names to the pri-

Meanwhile, the minister's relationship with opposition parties has grown acrimonious, after an opposition dephotel to a foreign investor a a price lower than that offered by the deputy.

Mr Saaidi has also asked for procedural changes, especially in setting sale prices. Under current rules, an independent evaluation commitwants an indicative price, with the final figure decided on by the market.

However, his proposal has not moved beyond the finance ministry. Mr Sasidi said the privatisation programme would continue to progress. Several sales were in their final

the Samir oil refinery. Crucially, he added, parliament should this month vote on a draft law to liberalise tor and open up its capital to the state might retain a

The liberalisation would start with a private licence



Only SIA offers 47 flights every week from Europe to Singapore and over 400 connecting flights to the Far East, Australia and New Zealand. And, of course, only

Singapore Airlines provides the inflight service even other zirlines talk about, about one of the world's youngest, most modern fleets. For more information,

contact Singapore Airlines or your local travel agent or visit us on the Internet at http://www.singaporeair.com

SINGAPORE AIRLINES



Risk and reward at NatWest Markets

Rate of job cuts to accelerate

Strength of pound worries **British Steel**

By Stefan Wagstyl, Industrial Editor

British Steel intends to accelerate job cuts in response to the rise in the pound and fears that staying out of European monetary union could give a further

Sir Brian Moffat, the chairman, last month ordered senior managers to give top priority to cost-cutting amid signs that the pound looks likely to remain strong following its 23 per cent rise against the Dmark since the start of last year.

Sterling closed in London yesterday at DM2.743 compared with a value of DM2.222 at the beginning of

British Steel fears that the pound's strength will make it more difficult for the company to compete against imports and will harm UK industry's international competitiveness.

The company loses an estimated £100m (\$163m) profit for every 10 pfennig rise in the pound.

The group, which has been shedding between 500 and 1,000 posts a year in the 1990s, is proposing to cut well over 1,000 in the financial year starting in April.

It will continue cutting future British Steel is more more than 1,000 jobs annually unless there is a dralikely to concentrate on matic reversal in the pound. piecemeal investments, reducing jobs by installing "There is a new sense of urgency: though it is early labour-saving equipment. days to quantify the cuts, we will see a real liftoff," said though British Steel is the Mr John Bowden, director lowest-cost steelmaker in western Europe it still had for investor and media relations, yesterday. further to go in increasing

Sir Brian first warned last year that the strong pound might bring job cuts. Specific decisions are likely to be announced by July.

British Steel, which last closed a big steelworks in 1992 when it shut Ravenscraig in Scotland, has no plans to close further sites.

A French-owned group,

Metabrasive, has invested

derelict site at Bilston in the

English Midlands where

steel was made for more

than 200 years, Stefan Wag-

styl writes. Metabrasive. a

subsidiary of the French

UK and 50 in South Africa

producing ultra-hard steel

for use in abrasives for cut-

ting and polishing metal. Mr

Chris Scarrott, managing

director, said the new plant

would safeguard existing

jobs. Turnover was forecast to rise from £27m last year

to £35m (\$57m) in 1997 with

the help of the new plant.

But the company's aim of

improving efficiency in UK steelmaking could lead to

closures at smaller sites in

However, in the immediate

Mr Bowden said that even

efficiency. For example, at

stake, 500-600 people produce 2m tonnes of steel a year. By

contrast, in the UK

operations, 4,000 workers

directly involved in steel-

making produce 3m to 4m

the longer term.

CGIP.

conglomerate CGIP, employs 150 people in the

£16m (\$26m) in an electric

Discovery of losses hits NatWest shares

US bank says former London trader is 'on leave, pending further investigation'

Value of interest rate

By John Gapper

Shares in National Westminster Bank were marked down sharply by investors yesterday following Friday evening's disclosure that it was setting aside £50m (\$81m) to cover losses in a trading book run by Mr Kyriacos Papouis, a junior

Although most of the £460m loss in NatWest's market value was caused by its shares going ex-dividend, the fall of 27 pence in its shares also reflected worry that the bank had failed to notice the mispricing of options last

investment bank to which Mr Papouis, aged 30, moved at the end of last year, said that he was "on leave, pending further investigation". NatWest has asked to interview Mr Papouis as part of its inquiries. NatWest's inquiries are

thought to be focusing on

whether Mr Papouis mispriced some trades in the second half of last year to conceal losses. Mr Neil Dodgson, to whom he reported, has been suspended for failing to supervise him.

Mr Dodgson's direct manager is Mr Jean François Nguyen, the head of fixed

income derivatives at Nat-West Markets, the bank's involved in European interinvestment banking arm. est rate options said Nat-West Markets had made sev-Until the start of the year. Mr Nguyen reported to Mr Phil Wise, head of debt capieral big trades during the last quarter, which could have been intended to hide tal markets. Mr Wise has become NatWest Mar-

However, some investment banks said NatWest also

appeared to have been using an option pricing model that underrated the risk of some types of transaction. "It does not say a great deal for their controls," said one trader.

NatWest said that it expected to reach initial findings in its inquiry by next week. It has hired an accountancy firm to help with the investigation, but said it did not expect to take any further action until this is com-

The incident has further highlighted the difficulties faced by investment banks in controlling traders. Details emerged as the Bank of England, the UK central bank, reiterated a warning over bonus schemes that reward short-term perfor-

mance by traders. Mr Howard Davies, deputy governor of the central bank,

said on BBC radio that it did "not make sense" for banks to have both bonus systems that encouraged risk-taking by traders and weak control systems to check on abuses.

Labour will today introduce to the House of Commons Mr Ben Chapman, victor in last week's parliamentary by-election in north-west England. His arrival will leave the government in a minority, although Labour has dropped attempts to force the national election before May 1, when it is widely expected.

ister persists in integration

kets' chief administrative

officer, in charge of risk.

Among plants which Mr Malcolm Rifkind, the UK foreign might be vulnerable is Shelsecretary, yesterday took to Paris ton in the English Midlands. his crusade against "excessive inte-British Steel warned in 1995 gration" within the European that it might close, during a dispute with the European Union. He expressed his surprise that France had recently taken post-Commission over state aid for Irish Steel, the Republic tions that would undermine of Ireland producer. Shelton national governments' role in foreign policy, justice and home is now cutting staff by 25 per cent to about 300. affairs.

Mr Rifkind said his concerns about "the EU's democratic legitimacy and excessive integration"

Sweden and had a "less encouraging response" in Germany. He was surprised that on many issues "Britain and France are today on different sides of the debate".

Speaking to the French Institute of International Relations, Mr Rifkind claimed that Paris and London shared "the same impulse - to reconcile the future of the EU with the preservation of the nation state". France's recent switch to proposing that asylum and immigration policies should be decided by majority verdict in Brussels, rather than by

turbed the UK government. Mr Rifkind quoted with approval the French interior minister as stressing that "control of immigration is a nation-state prerogative"

• Mr Tony Blair, leader of the opposition Labour party, will today conclude a series of meetings with chairmen or chief executives of almost all companies listed on the FISE 100 index, our Chief Political Correspondent writes. He will point to the governing Conservatives' disarray on Europe as a prime motive

alarmed at the prospect of a future Conservative government seeking withdrawal from the EU.

Philip Stephens, page 14 had struck a "resonant" chord in national governments, has diswith business. The Labour leader Tractor maker fears Euro currency

By Peter Marsh in London

Trico, the US venture in If the UK failed to join a which British Steel has a single European currency, future investment would be at risk at the New Holland factory in south-east

The company, 69 per cent owned by the Italian group opt out of the single cur-Fiat, is the world's second rency might make New Hol-

biggest manufacturer of tractors. Mr Umberto Quadrino, New Holland chief executive. said yesterday he was "seriously worried" by the prospect of sterling not being part of European economic and monetary union.

A decision by Britain to

land reconsider future investment in its plant at Basildon, 40km east of London, which makes about 40 per cent of the company's tractor output. The factory, with has a workforce of 1,600, is one of the world's biggest tractor plants.

The effect of the pound's ing net income for 1996 up 25 strength over the past year per cent. The company

INDONESIA AND MALAYSIA DIRECT

If your company seeks export orders in these lucrative and

becoming markets - our strong, top level sales and marketing teams are based in Jakasta and Kunia Lumpur.

We have connections - do you have a product or service that needs promoting?

European Office: Tel: 01481 701575 Fax: 01481 701576

AUCTIONS

Complete Engine Plant

For The Production Of

Straight 6 Cylinder and V12 Engines

Camshaft, Connecting Rod, Bearing Cap, Cam Cap and Assembly Lines. The engine is available as a 3.2 and 4.0 Litre Petrol Engine.

STRAIGHT SIX CYLINDER ENGINE

Lines include; Cylinder Block, Cylinder Head, Crankshaft,

Cylinder Block, Cylinder Head, Crankshaft,

available as a 6.0 Litte Petrol Engine.

Camshaft, Connecting Rod, Bearing Cap, Cam Cap, Tappet Block and Assembly Lines. The engine is

Hot and Cold Test Bays, CNC Parts Storage System.

All Tooling, Spare Parts, Mannals and Drawings are available with the various production lines.

For Colour Brochare & Sale Catalogue Pisase Contact:

New Holland's Basildon operations to be \$20m less than they would have been, Mr Quadrino said. New Holland expects 1997 sales to continue at last year's levels. Mr Quadrino

made in joint ventures, to be 4 per cent to 6 per cent higher than the 115,000 it made in 1996. Net income for 1996 came to \$323.9m, up on \$258.5m in 1995. Sales rose 10 per cent to \$5.547bn. said yesterday in announc-

Tax threat to firms in liability manoeuvre

By Jim Kelly, Accountancy Correspondent

The Inland Revenue yesterday threatened accouncrippling tax bills if they register in Jersey to try to limit the legal risks faced by part-

a private letter to the accountancy firm Price Waterhouse - may prompt a judicial review and a long battle in the courts. A senior partner at one firm said: "We are not giving up."

The firms, which include inw firms, want to register in Jersey, the largest of the Channel Islands between England and France. A law there protects the personal assets of partners from actions for damages although the assets of the firm and negligent partners can still be at risk.

At the moment partners in the UK pay income tax. If firms which registered in Jersey were taxed as UK companies it is estimated that their tax bills could rise by 6 per cent to 10 per cent.

There would also be a oneoff tax bill associated with the change from partnership to company taxation. "There could be an enormous tax penalty, said one partner involved. While the Revenue's letter is in response to a plan put forward by Price Waterbouse to register in Jersev. it will be widely seen as a signal to the whole professional

"The letter implies that if we were to form a Jersey limited liability partnership today and transferred our business into it, that would be a disposal for capital gains purposes," said one partner at one of the six biggest accountancy firms. The government has already responded to the threat that two "Big Six" firms - Price Waterhouse and Ernst & Young - might go offshore by promising to bring forward similar protective legislation.

\$ 10 mg

BUSINESS OPPORTUNITIES

readers are recommended to sees appropriate professional advice before entering into commitments

Melanie Miles 0171 873 3308

March Investment Opportunities

Clare Bellwood 0171 873 3234

Pure Wines and Beers £125,000 Corporate Tax Software £250,000 £375,000 Miniature Radar System £300,000 Mobile Asset Security Mail Order Music and Video £500.000 Millepede Cable Ties £100,000 Chromatography Instrument £150,000 Fire & Security (EIS Status) £500,000 Bespoke Fishing Rods & Cases £25,000

New Guide to Venture Capital (UK & Europe) 1000+ sources of capital, 1300 pages, 8th edition Investor & Entrepreneur Workshops Investing & raising capital, deal structure, case studies

Details in VCR's monthly Report Trial subscription available to investors Tel: 01865 784411

LISTED SHELL COMPANY

£2.5m Cash Available Seeks Private Company with profits of circa £1m+ for Reverse Takeover. Full Board control available. Write to: Box 85096, Financial Times. One Southwark Bridge, Loudon SE1 9HL

Management Buy-Out What is your company worth: PC syntacthers valuence model, as used by venture capations, CPNS + VAT. Equity Ventures (Limited 25 Geometry Spect, London W. 18, 9°E Tel: 4871-487 461 Fac, 1472-447 0002 pulsars by the Securities and Potters Author

INVESTORS **HEALTH CARE COMPANIES**

sought to promote the commercial health-and device used to assess pigmented moles. use write to Box B5098, cial Tunas. One Southwa Bridge, London SE1 9HL

Entrepreneur/Investor with substantial funds seeks to acquire a London/Home Counties based business, in the service, manufacturing, or distribut sectors. A returnment or majority share disposal opportunity would be preferred. Write te: Box B500 L Figureial Taxes. One Southwark Bridge, Lendon SE1 914.

ROJECT AND COMMERCIAL ing available to UK and Intomational clients. Tel; 01824 201 365 Fax: 01924 201 377

CALL FRANCE only 19pmin ox vat Tel:

CHANNEL ISLANDS netration. ant. Payroll Systems Banking Facilities for Ex-Patriales. For details & appointment write: Groy Trust United, 2nd Pioor, 34 David Piace, St Heller. Jersey JE2 4TE et 01534 878774 Fac: 01534 35401 E.Mail:zroytrsi@tii.net

MEDIUM SIZED FIRM OF MANAGEMENT CONSULTANTS is looking for acquisitions/mergers with similar organisations to form a sound working relationship through a holding company with the eventual possibility of releasing excess capital to the owners of the business. Fax details in confidence to: 9161 628 7020

BUSINESS OPPORTUNITY Profitable ladies high fashion high profile single retail shop in Belgravia, London. Turnover circa £750K seeking Write to Box B5102, Financial Times, One Southwa Bridge, London SE1 9HL

Receivables Financing BANK OF ERELAND DISCOUNTER

aeoger/Rob Sings Bank of Ireland (38) COMPANIES IN DIFFICULTY

Is there a sound underlying business? Is there a turnover of more than £5m? Postern can help with

The Postern Fund is confident and focused on corporate turnarounds and rescues Contact Trevor Swele at Posteru 44A Floral Street London WC2E 9DA Tel: 0171 240 4747 Fax: 0171 240 2799 em Fund Management is resulated by IMRO

Internet Media Company

Established producer of specialist business to business Websites, supported by the worlds leading olue-chìo multi nationals. Defend Of and Gas, Mining atc. Strong management, a prover

formula and an International factoring agreement in place. Excellent reception from our marketplace and a 9 month trading history. We wish to capitalise on this expanding market.

50% shareholding Fax: 0171-385 0622 (Principals Only

Call centre capacity

A medium size call centre with spare capacity of 400-600.000 calls pa is looking for suitable joint venture or similar arrangement.
Excellent software
capabilities, human, and
inter-active voice response and well-trained staff
with proven sales and customer care skills. Please write with

prelim details to:

Box 85075, Financial Times, One Southwark Bridge, London SE1 9HL

GREY HAIRS & WISDOM

resources and wide management ing experience to companies needing weight From a day a month Write to: Box B4692, Financial Times, One Southwark Bridge, London SE1 9HL

FAST EXPANDING

MARKETING

promotional company looking

for merger or acquisition. No

agents. Box B5091, Financia

Times, One Southwark

Bridge, London SE1 9HL

COMPUTER

SOFTWARE

Ownership rights to existing

computer software are

availabel for sale. Principals

only apply to: Box B5062, Financial Times,

One Southwark Bridge,

London SE1 9HL

Former Chief Executive
of major advertising agency offers grey hairs and wisdom, business
development skills, creative
resources and wide management

HENRY Tel +1 313 522 4464 Fax +1 313 522 4240

V12 ENGINE

Lines include;

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO

BUSINESS SERVICES

VAT

DISCOUNTING OF TRADE DEBT Forfaiting facilities for the

discounting of negotiable trade debt, most countries considered with a preference for Africa, Americas, Asia Pacific and the Middle East full country menu available.

JPR Financial Accountants Tel: 0121 554 9030 Fax: 0121 523 7199 Authorised Forfalting Agent Tel +44 (0) 171 405 8411 Fax +44 (0) 171 405 9772 **TELECOMMUNICATIONS**

SAVE ON INTERNATIONAL PHONE CALLS Digital Switching/Fiber Cptic Lines
 ATAT and Other Network
 Use from Home, Office, Hotels, Cell Phones
 24 Hour Customer Service Call now for New Low Rates! Tel: 1.206.284.8600 Fax: 1.206.270,0009 Lines open 24 hours **Kali**back

CONTRACTS & TENDERS

EMPRESA ELECTRICA DE **GUATEMALA S.A.**

International Public Bidding for the Sale of Electricity Generating Plants (combined installed capacity 150MW. operation capacity 118MW) and associated Power Purchase Agreement

Empresa Eléctrica de Guatemale, in response to the Governmen progam to restructure and modernize state owned enterprises and the ments established under the recently enacted Ley General de Electricidad, has initiated the process to divest its generating plants of La Laguna, located at Amatitián (20 kms from Guatemala City), and the Stewart & Stevenson gas turbine unit at Escuintla.
respectively. The divestiture will be associated with a long-term

The process is scheduled to be completed by June 1997.

A Sales Memorandum is being prepared which will describe the assets, the Power Purchase Agreement, and the divestiture process.
International roadshows are scheduled for Europe, the U.S. and Chile in the second half of March.

interested parties are invited to register their interest by telefax, providing a brief description of their experience in the electric sector, to either of the international advisors that have been nandated to advise Empresa Eléctrica in the divesture process:

Ernst & Young LLP FAX: 202-327-6399 Dimitri Plionis, Partner

in Caracas, Venezuela FAX: 582-985-1545 Peter Macaulay, Director TEL: (202) 327-6390 TEL: (582)-985-6771/0828 Por additional information on this opportunity please visit the

homepage of Empresa Eléctrica de Guatemala. S.A.: http://www.bizinfonet.com/guatemala-electric/

OFFICE EQUIPMENT

OFFICE FURNITURE Due to city bank order postponement we have a large quant stacutive and system ranges conferences and receptions. h discount of up to 40% from R.R.P.! Please control
LINEABURO LTD Tol: 01992 50453
FREEPHONE: 0500 021565

BUSINESSES WANTED

 $\mathfrak{D}\mathbb{F}G$ wishes to acquire UK Security Companies (non-guarding).

Tumover range £1m £10m. Write to: Box 85093 Financial Times. One Southwark Bridge,

London SE19HL

CONSUMER GOODS MBI team seeks branded consumer goods business. Backing up to £50 chillion. Write to Box B5895, Financial ondon SEI PHL

Deutsche Morgan Grenfell

PRIVATE

INDIVIDUAL looking to purchase high quality consumer goods business. Write ite Box 95043, Phoneisi Times, One Southwark Bridge, London SEI 982. gations, and the regulator did not

try to recover its costs from them.

Mr Rycott said yesterday: "The

whole thing could have been avoided

if they had written to me as soon as

they thought there was something

a "free draw" to win £5,000.

month to withdraw their endorse

lo firms; liability manoeth,

The second

544. · ·

4000

.

· ·

. . .

TENDERS

连载化 李斯

IPMENT

MRIVATE

MOIVIPUL

11-1

NEWS: UK

wrong."

Linking the City and Docklands.

CITY

Undertaking in court persuades leading City watchdog to end legal action

Ex-trader vows to return funds

By Ctay Harris in London

Mr David Rycott, a former London futures trader, has agreed to return all money invested by UK customers of his new Spain-based currency scheme. He has also promised not to engage in any investment business in the UK.

After Mr Rycott and his Spanish company, Anglo Scandinavian, gave the undertakings in the High Court in London yesterday, the Securities and investments Board agreed to discontinue its legal proceedings against them.

financial regulators in the UK and laws are broken. Anglo Scandinaother European countries to crack down on high-risk currency trading schemes operating across borders. Some 80 UK customers of Anglo Scandinavian stand to receive back a trading company owned by Mr company admitted any of SIB's alle-

total of £380,125 (\$619,600) according to the court order. The figure by the Danish financial regulator. includes reimbursement of net losses of £45.635. The largest single investor had put in £23,000.

The permanent undertaking given by Mr Rycott not to engage in any new investment business in the UK is without precedent in its scope.

It could raise questions about the operation of the European Union's Investment Services Directive. Under the ISD, a company authorised by one country can be issued a "passport" to operate throughout the EU, although national regulators The case marks the latest effort by may challenge this authority if local vian is not regulated by Spanish authorities, but the Copenhagenbased Scandinavian Forex and Futures Group, another currency

Rycott, has applied for authorisation SIB successfully applied in 1988 to have DPR Futures, Mr Rycott's previous options and futures trading company, compulsorily wound up on public interest grounds.

A lawyer for SIB told the High Court then that DPR was "a menace to the investing public" and had engaged in "churning" - the practice of frequent trading in order to maximise commissions.

In the latest case, SIB had sought navian's mail shots offered entry to to prevent Mr Rycott and Anglo Scandinavian from conducting unauthorised investment business in the UK or making misleading statements under the Financial Services

Although they gave these undertakings, neither Mr Rycott nor his

Lawyer jailed in gold mine conspiracy

By John Mason, Law Courts Correspondent

SIB is continuing its proceedings A London lawver was jailed against three other defendants. Mr for two years yesterday after being convicted of con-Anthony Lemon signed letters sent to prospective British investors and spiring to pervert the course engaged in telephone conversations of justice in return for with several of them. Anglo Scandishares worth Can\$14m (US\$10.2m) in an African gold mining venture. Mr Mr Christopher Tomaszewski, an Martin Boston, the senior accountant, and Alexanders, his firm partner with law firm Bosbased in Redhill in southern ton and Co, offered to England, undertook at a hearing last destroy evidence and lie in court to ensure the failure ment of Anglo Scandinavian's sales of a client's attempt to sue material under the Financial the mining company's

> His brother, Mr Warren Boston, a stockbroker, was jailed for 12 months after also being convicted by a jury of conspiring to pervert the course of justice.

lamgold was set up in the early 1990s by Dr Mark Nathanson, a Canadian businessman, to mine gold in Mali. It prospered and attracted investment from Anglo-American, the South African mining giant.

Mr Martin Boston had been involved in a previous mining venture in Mali started by Dr Nathanson, acting as lawyer to the syndicate providing the backing and to one of its members. Mr George Hervey-Bathurst.

After the first venture failed, Mr Hervey-Bathurst was given shares in lamgold, but after the company prospered, he began legal action against Dr Nathanson, claiming he was owed more. Mr Martin Boston also believed he was entitled to a share in Jameold and. in conversations bugged by Dr Nathanson, claimed he had documents which would enable Mr Hervey-Bathurst to win his action.

In return for shares Mr Boston said he was prepared to destroy the documents and tell a court they had been lost. His brother was also present at the meetings. The brothers claimed their actions were a bluff and

documents they offered to

UK NEWS DIGEST

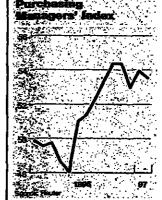
New CJD case puts total at 16

Another case of the strain of Creutzfeldt-Jakob disease linked to bovine spongiform encephalopathy or "mad cow disease" was confirmed yesterday by the government's health department. The victim is still alive and brings the total of definite and probable cases of "new variant CJD" in the UK to 16, of whom 13 have died.

The first 10 cases of emerged in March last year. The government acknowledged then that they were probably caused by eating meat infected with BSE in the 1980s. Since then, scientific evidence for the causal link between BSE and this type of CJD has grown stronger but it is not yet proven. The new variant has affected mainly young adults - for reasons that scientists do not understand whereas conventional "sporadic" CJD tends to strike older people. All forms of CJD are fatal; patients with the new variant die more slowly.

■ THE ECONOMY

Manufacturing recovery steady



UK manufacturing industry remained on course for a steady recovery in February, restrained by a strong pound and a squeeze on prices, according to data released yesterday. The composite purchasing managers' index, compiled by the Chartered Institute of Purchasing and Supply, fell from 53.9 in January to 53.5 in February, a level considered consistent with an expanding manufacturing sector. The purchasing managers' survey showed that output in February hit the highest level since

November 1994, with an index of 57.7 after 55.8 in January. The CIPS said that "orders from UK customers were reported to have remained buoyant, but export orders grew only modestly".

■ TRADE UNIONS

German body in reciprocal deal

The UK's GMB trade union yesterday signed an agreement with IG Chemie, one of Germany's biggest unions. which offers members reciprocal membership rights in both countries.

The unions have a combined membership of L8m, but estimate that only about 120 members are working in each other's countries. Both unions claimed the pact was significant, even though it would not entitle members to local pay rates. The unions will initially concentrate on harmonising hours and working conditions. Mr John Edmonds, general secretary of the GMB, said: "This is a natural extension of the Europeanisation of the British jobs market." Mr Hubertus Schmoldt, president of the German union, said the co-operation was the first of its kind in Europe. He added: "Our goal will be the creation of a joint membership at European level to achieve mini-Andrew Bolger

London Underground: what is it really worth?

hat is the London Underground worth to a private sector buyer? The sale, if it goes ahead, will inevitably lead to accusations that valuable assets are being sold off too cheaply.

The sell-off of British Rail,

the former national state network, provides some very recent examples of husinesses which were sold for well below their nominal asset value but then soured in price. Railtrack - created out of BR to control infrastructure such as track had nominal assets of £6.5bn (\$10.5hm). It was floated at a valuation of just under £2bn: now it is valued at about

For internal purposes only London Underground values its physical assets at around £20hn. But because tunnels can theoretically last for 400 years - beyond the financial planning horizon - their notional value of £5.32bn is excluded from the calculation, as is £1.68bn of other very long-term assets.

ue into citams. tion when the government's ing margin rose to £192m A outright sale of the because it is a formula

The Tube has assets of \$21bn. but it will be judged on its profit potential

take shape. But this sum, representing the cost of the assets, falls to £7.2bn in the Underground's accounts after adjustments to take account of deterioration.

But the network - known by Londoners as the Tube will not be valued by prospective buyers on the basis of a clutch of assets, most of which have no other use than in the running of an underground railway. "The Underground will be judged by its profit potential; its by Underground managers ability to generate cash." comments one analyst.

By this measure, the Underground is a less attractive proposition, although it has achieved steady increases in its gross operat-This leaves the £13hn fig- ing margin over the past five

But, after depreciation and spending on the renewal of fixed assets, the railway made an operating loss of £212m last year, down from a loss of £308m the year before. The Underground remains dependent on considerable government grants, amounting to nearly £900m this year but falling

to only £150m in 1999-2000. But successful bidders will benefit from the £1.2bn estimated minimum proceeds of the sale which the government says it will plough back into the company to clear an investment backlog. Current big projects include the extension of the Jubilee Line, which will make it easier to get from

the City to the Docklands.

The backlog, officially put at

£1.2bn, is privately estimated

at nearer £2hn. he valuation of the Underground will also depend on two other important considerations: ing or franchising train serthe method of privatisation and the extent of competi-

a public offering is one of any franchise sale, if the BR the three options being con- model is followed, would sidered, though it would not generate the benefits of competition and diversity of

ownership achieved by the

BR sale.

Northern Line

A sell-off or franchising lines - with the new owner stock and infrastructure - is a second option. But this might prove unattractive to the bus companies and groups such as Sea Containers, Virgin and CGEA, which bought BR's operations without the infrastructure.

The third option, to create a "Tubetrack", owning all the infrastructure and sellvices on individual lines, might raise the maximum cash for privatisation plans began to from £104m the year before. entire network by means of tested in the BR sale. But

require continuing subsidies. The final factor in determing the value to be put on

the Underground is the extent of competition between bidders. After a line-by-line or by groups of slow start, when BR franchises were sold on what controlling both rolling now appear quite generous terms, the auction led to some very attractive deals for the franchising director. All franchises involve declining levels of subsidy over time and in many cases a later switch to premium payments by train operators.

Privatisation of the bus industry and British Rail has created integrated transport groups with an appetite for expansion. They can be expected to bid up the price

Charles Batchelor destroy.

BUSINESSES FOR SALE

Clare Bellwood 0171 873 3234

Fax 0171 873 3064

Melanie Miles 0171 873 4874

Restaurants for sale

The Joint Administrative Receivers of the Priorywood Holdings plc Group, Peter Copp and Geoffrey Kinlan, offer the following restaurant businesses for sale as going concerns, either individually or as a group.

- Caře des Amis du Vîn,

Covent Garden - 250 covers - T/o C £1.5m Cafe Français, Headington, Oxford

75 covers - T/o c. £275K • Michel's Erreseries

Bristol - 05 covers - t/o c. £300K

Cambridge - 80 covers - T/o c. £650 K Kensington - 33 covers - T/o c £220K Oxford - 50 covers - T/o c. £320K Reading - 60 covers - T/o c. £260K

EDWARD SYMMONS

MESSRS. EDWARD SYMMONS & PARTNERS, 2 SOUTHWARK STREET, LONDON SEI IROL TEL: 0171 407 8454, FAX: 0171 407 6423

Freehold

 Crests, Richmond, Surrey 69+ covers - T/o c. £545K

 Michel's, Chiswick 40 covers - T/o c. £240K

Further information may be obtained from the Receivers' Sole Agents, at the address below. Ref CWD.

BDO Stoy Hayward Corporate Recovery and Insolvency





BUSINESSES FOR SALE

Popper & Company Limited Broadwater Press Limited

The Joint Administrative Receivers offer for sale as going concerns, the business and assets of these long established companies.

Principal features include:

- 50,000 square ft. single storey factory on 31/2 acre
- freehold site at Welwyn Garden City Printed folding carton business with turnover of approximately £5 million
- Colour printing business with estimated turnover of £1.3 million
- Blue chip customer list
- Skilled local work force of about 100
- Fully comprehensive range of printing and converting equipment

For further information interested parties should contact the Joint Administrative Receivers, asking for Peter Hart at Levy Gee, 100A Chalk Farm Road, London NW1 8EJ. Tel: 0171-267 4477 Fax: 0171-485 1486.

DUNDEE TEXTILES LIMITED

(IN RECEIVERSHIP)

The joint receivers offer for sale the business and assets of one of the leading dyeing and finishing houses in Europe.

- Modern custom built commission
- 30,000 sq.m site in Dundee.
- Highly computerised and automated plant using latest technology.
- Capacity of 20 million metres of woven fabric per annum.
- Skilled workforce of 132 employees. Supplying apparel, furnishings and sheeting

For further details contact lain Bennet or

Laurie Manson at: Price Waterhouse, 1 Blythswood Square, Glasgow G2 4AD. Tel: 0141 226 4593. Fac: 0141 248 8093. Dundee Textiles Limited, Riverside, Dundee DD2 1XA, Tel: 01382 561156. Fac: 01382 562399.

Price Waterhouse



This advertisement has been approved by Price Waterhouse solely for the purposes of Section 57 of the Financial Services Act 1986. Price Waterhouse is a firm authorised by the Institute of Chartered Accountants in England and Wates to carry on

&Lybrand

FORKLIFT TRUCK **SUPPLIERS**

The Joint Administrative Receivers, Niget Vooght and David William, other for sale the business and assets of this company. Principal features of the business include: distribution and service centre for BRC and Balkanear forkill

 substantial feet of short-term and contract hire forteit trucks (annual income of e£200,000) modern frashold premises of 55,000 sq ff in Dunstable. Bedierdshire, located on A5 class to M1 and M25 motorways For Buriter information, please contact Horsen Buckley or Gillion Howigs of Coopers & Lybrand, Plumine Court.

Tel: 0171 212 6214/6292. Fee: 0171 212 6000. Conjugat & Lybrand as authorized by the Josephste of Chief at England and Wales to carry on Investment Business.

- annual humover of c\$1.5m

LEONARD CURTIS BY ORDER OF THE JOINT ADMINISTRATORS

жаятины • скозооч

D.J. POWER FCA & D. SWADEN FCA IN THE MATTER OF

MOORE AND BROCK LIMITED Offers are invited for the sale of the business and assets of the above

 Builders merchants operating from Northwich, Cheshire Established since 1834 - Annual turnover in excess of £1 million Key freehold site in Northwich town centre with strong development potential

> Enquiries should be addressed to Paul Keeley Leonard Curtis & Partners, Chartered Accountants Peter House, Oxford Street, Manchester M1 5AB Tel: 0161 236 1955 Fax: 0161 228 1929

Las Vegas General Construction Firm opend your business to \$ 1 U.S. estruction growth market onlines marketing/networking capabilities & above-everage joi profits. Over \$53 M in backing A Reply to: Box 14195, le, AZ 85267 or call

Specialist Sports Retail Opportunity

Well established sports retail business for sale as a going concern. Northern based with a reputation as a leading outdoor sports specialist. Excellent potential. Details to Box B5073, Financial Times, One Southwark Bridge, London SE1 9HL

ISO 9000 Process Automation Systems Co.

South East. Would appreciate anchase offers from larger Group Current T/O 0.8-1.0m. Highly experienced/qualified personnel.

Write to Box B5081, Financial Times, One Southwark Bridge, London SEI 9HL

BOOK PUBLISHER

UK/US literary publishing house for sale, Small but profitable. Apply for information to MediaFund Limited Ruttand House, Rutland Gardens. London SW7 1BX

BUSINESS FOR SALE

SMALL PROFITABLE POLYTHENE MANUFACTURING Company for sale.

Based in South East. Owners wishing to retire

FOR SALE famulacturer of pressure vessels for

industries, Turnover £2.5m. Profit octore tex £150,000. Custom desig and fabrication. ASME approved Write in: Box B5009, Financial Times, One Southwork Bridge, Lundon SEI 99IL **FOR SALE**

> cooling equipment. Turnover 22m. Profit before tax £300,000 Design and build capability with comprehensive product range. Write to: Box B5970, Flannefel Times, One Southwark Bridge, London SE1 970

Manufacturer of industrial

FOR SALE

fanufacturer of specialist cold foreed fixings. Turnover £4m Profit before tax. c£500,000. Established company with blue chip customer base, Write to: But 0.5074, Financial Times, One Southwark Bridge, London SEI 9881.

COMPANY FOR SALE

industry - art & craft. 1 million + Turnover
 Est. 14 years
 Profitable FOR SALE

BUSINESSES

Appear in the Financial Times on Tuesdays, Fridays and Saturdays,

For further information or to advertise in this section please contact

Karl Loynton +44 0171 873 4874



BUSINESS AND THE LAW

French state aid lawful



The Court said the concession was necessary to enable the institution to carry out its public service obligations. It could therefore be cleared under the Treaty of Rome provisions relating to public undertakings.

The action was brought before the Court by a number of associations representing insurance companies carrying out business in France.

They sought to annul a Eurowhich had rejected their complaint, declaring that a tax concession granted by the French government to the French Post Office did not constitute state

The concession comprised a reduction of the bases of assessment to local taxes by 85 per cent. It was justified in the French legislation as being due to the constraints imposed on the Post Office of serving all the national territory and of participating in regional development. The Court dealt with two

issues of substantive law; whether the Commission had committed an error of assessment in using an inappropriate method for assessing the costs of the Post Office's public ser-vice obligations and whether there had been a breach of the treaty provisions relating to public undertakings and state

The Court recalled that the Commission had estimated the tax concession to be less than the additional costs arising from the constraints of serving the entire national territory.

It also recalled that the applicants did not challenge the fact that these additional costs were indeed generated by the Post Office's public service obligations. Their case was that the Commission had manifestly overestimated those additional costs by using the wrong 1997. method of calculation.

The Court found that in this BRICK COURT CHAMBERS, area of supervision, the Com- BRUSSKLS

mission had a certain amount of discretion. Since the matter involved the assessment of complex economic data, that discretion was all the wider.

It said the Commission had Ethopian Freach Post carried out a complex economic course. Office was valid analysis on the basis of two carried out a complex economic studies carried out by the Post Office and outside consultants and nothing put forward by the applicants proved a manifest

error of assessment. The Court said the concession did constitute state aid, contrary to what had been decided by the Commission, because it placed the Post Office in a more favourable financial position than other taxpayers including those companies represented by the applicants.

However, under the treaty pean Commission decision, provisions relating to public undertakings, the rules on state aid only applied insofar as they did not obstruct the performance of the particular tasks assigned to those public under-

takings. In order to determine the validity of the aid in the light of these derogating provisions, the Court considered that the case law on the application of the European competition rules applicable to private undertakings could be applied, with the necessary adjustments, to the state aid sector.

On that basis, it said state aid could escape the specific prohibition in the treaty provided the sole purpose of the aid was to offset the additional costs incurred in performing the tasks assigned to the public undertaking and that the aid was necessary for the carrying out of its public service obliga-

The Commission had therefore been entitled to take the view that the aid was not greater than was necessary to carry out those obligations.

Despite the fact the Commission had been wrong not to clasaid, the Court said the contested decision should not be annulled.

T-106/95: Fédération Française des Sociétés d'Assurances v Commission, CFI 3CH, February 27

astman Kodak, the US photographic equipment group, experiences great difficulty selling its consumer photographic film and paper in Japan. In the company's view the difficulties are caused both by Japa-

nese laws and regulations which operate in a discriminatory fashion and by anti-competitive practices of Fuji, its main rival, aimed at preventing Kodak from pene-

trating the Japanese market. After years of trying to obtain substantial market access, Kodak decided in 1995 to petition the US government for relief under section 301 of the US Trade Act of 1974. Having investigated, the US government chose to request formal consultations with Japan under the auspices of the World Trade Organisation (WTO).

The consultations, which started in June 1996, involved three distinct issues. First, they addressed the compatibility of Japanese law with the rules on trade in goods laid down in the General Agreement on Tariffs and Trade (Gatt).

Second, they concerned the compatibility of Japanese law with the rules on trade in ser-vices laid down in the General Agreement on Trade in Services (Gats). And third, they concerned alleged anti-competitive practices

In September, the US decided formally to split the three issues. It requested the establishment of a WTO panel to examine the complaint concerning the alleged violation of Gatt rules, and chose to continue consultations separately on the alleged Gats infringements and on the issue of restrictive business practices.

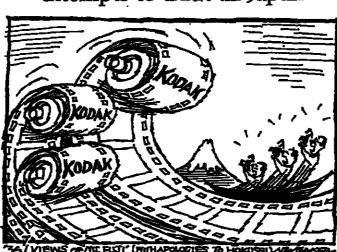
The Gatt complaint, filed with the WTO on February 20, focuses on a law which limits the number and size of large retail stores. Since they often tend to carry more imported products than specialised retail outlets, governmental restrictions on their number and size affect the ability of foreign companies such as Kodak to market their goods.

The WTO panel will have to rule whether this Japanese law violates article III of the Gatt. which provides that laws and regulations affecting the internal sale of products may not be applied so as to afford protection to domestic industry.

There are numerous statements by Japanese governmental agencies such as the Ministry of International Trade and Industry (Miti) which show that the law's objective was indeed to help to offset the "negative" effects of had to take place as part of

Behind the shutters

Kees Jan Kuilwijk on Kodak's attempts to trade in Japan



taken in the Kennedy and Tokyo Rounds of trade negotiations.

The complaint suffers, however, from the remoteness of the discrimination. It is well-known that foreign businesses are not the only victims of this law -Konica, the Japanese number two, is also thwarted in its attempts to obtain a larger market share. There might very well be a plausible, objective justification for the retail shop law.

The Gats complaint, which may be examined by a second panel, focuses on an alleged infringement of article XVL This stipulates that countries may not impose on foreign services and foreign service suppliers treatment less favourable than called for in their "Country Schedule".

It also provides that, unless otherwise specified in its "Schedule", countries must not impose restrictions on the number of service operations or the total quantity of service output on the basis of an "economic needs" test.

Since the retail store law does appear to be based on an "economic needs" test, and since the Japanese government has not 'specified otherwise" in its Schedule, there indeed could be an infringement of article XVL

Apart from the laws and regulations which seem to help Fuji the trade liberalisation which consolidate its dominant position. Kodak maintains that its Japan's commitments under- efforts to penetrate the market

are frustrated by Puji's practices. Kodak claims that in the 1970s, when the comfortable tariff wall which Fuil had enjoyed slowly came down, the Japanese government allowed its "national champion" to set up a tight system of loyal primary and secondary wholesale firms, which would

exclusively handle Fuji products. In the distribution of consumer products, such as consumer photographic film, specialised wholesalers are essential. Kodak asserts that the Japanese government, in particular through Miti and the Japan Fair Trade Com-mission (JFTC) has tolerated, and even encouraged, the anti-competitive activities of Fuji, which are in violation of Japan's Anti-Monopoly Law (AML).

The charge concerning Fuji's anti-competitive behaviour is tricky as restrictive business practices are not within the WTO's competence.
The 1960 "Decision on Arrange-

ments for Consultations on Restrictive Business Practices". merely encourages countries to conduct consultations in order to eliminate the harmful effects of such practices. It is crucial, however, for the

proper functioning of the multilateral trading system that goveraments enforce their competition laws equally against foreign and national companies.

It is therefore reassuring to see

that the European Commission's initiative to address the issue of elaborating an international framework for competition rules in the context of the WTO at the recent WIO ministerial meeting in Singapore has resulted in agreement on the establishment of a working group to study the interaction between trade and

competition policy. Clearly, trade policy cannot be divorced from competition policy. Liberalisation in the form of lowering tariffs and dismantling nontariff trade barriers can easily be frustrated by allowing national cartels to operate in a way which hampers the market access efforts of foreign businesses

he Gatt complaint is formulated in a mannel which does not leave room for an evaluation by the panel of Fuji's alleged anti-competitive practices and Japan's endorsement of those practices through selective enforcement of the AML.

The only way this would be possible is through a so-called "non-violation" complaint by the US - a charge that although no rules of WTO law have been violated, nonetheless, previous concessions made by Japan have been "nullified or impaired."

In its panel request the US does make a "non-violation" complaint in addition to its "violation" complaint. It only claims "nullification or impairment" of concessions as regards the application by the Japanese government of certain laws and regulations the combined effect of which is to hurt US interests. It makes no such claim as regards the preservation by the government of an anti-competitive situation on the Japanese market to the detriment of the US.

Although the issue of restrictive business practices therefore appears to be at a dead end. it could still be possible to subtnit it to a panel for adjudication.

The 1960 Decision, which provides for consultations but not dispute settlement, was taken when the contracting parties had a fundamentally different view of the way in which their commitments ought to be supervised.

A clearly outdated decision ought not to stand in the way of adjudicating an issue of such importance. There is no reason why a panel should not view the non-enforcement of a country's own laws against a national company under certain circumstances as a nullification or impairment of previously made cessions.

The author is an associate with Lovell White Durrant, Brussels. turnover of about £15m.

LEGAL BRIEFS



Clifford Chance in joint venture with Italian firm

The assault by the UK's law

firms on the Italian legal market continues apace. After Freshfields's opening in Milan last month with 30 lawyers, Clifford Chance has announced that its joint venture with Italian law firm Grimakli e Associati is to be strengthened with the opening of a third <u>Italian office in Padus. The</u> Padua office, which is being established to capitalise on the rapidly growing industrial area of Italy's north east, will be staffed initially by five lawyers. There will be two partners – Paolo Rulli, a corporate lawyer in Grimaldi & Clifford Chance's Rome office and Andrea Rizzleri a Paduan. Since opening its first office in Rome in 1993, Grimaldi & Clifford Chance has established itself as one of Italy's leading commercial lav firms. Recently the firm has advised on the privatisation of ARM, the Milan gas and electricity ultility, and Autostrade, the Italian motorway operator.

Kiev milestone

aker & McKenzie, the world's largest law firm, bas hired its 2,000th attorney. The milestone was reached in the firm's Kiev office with the recruitment of Ms Mariana Marchuk. Ms Marchuk will practise in the areas of international trade. arbitration, energy and privatisation.

London link-up

ondon law firms Baileys Shaw & Gillett and Speechly Bircham are to merge on May 1, creating a firm of 42 partners and 68 other fee earners with an annual

AMD is building the future in Dresden: Microchips for the leading edge of technology and 1,400 jobs for Saxony. DM 1.65 billion High-Tech Financial Engineering:

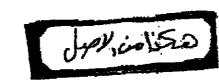
Dresdner Kleinwort Benson

Global Finance

Excellence in Structured Finance



to be located near Dresden, Germany. We are acting as Adviser and Arranger to AMD in this DM 2.9 billion cross-border investment and are structuring and syndicating loan facilities totaling DM 1.65 billion.



INANCIAL TIMES TUESDAY MARCH 4 1997



FINANCIAL TIMES
GROUP

Together



they give you the latest news. Instantly.



The Financial Times Group and Agence France-Presse have joined forces to provide fast, accurate and incisive financial, economic and business news.

AFX NEWS is a real-time English language European financial newswire which can be delivered through most major market data vendors and across your internal PC network.

AFX NEWS has reporters in all the key European and international markets feeding over 500 news stories a day direct to your screen.

So, for independent and succinct reporting on economic, corporate and market news, contact AFX NEWS direct, or your local data vendor today.

FOCUS ON FINANCIAL TIMES GROUP AND AGENCE FRANCE-PRESSE

AFX NEWS 15-17 EPWORTH STREET, LONDON EC2A 4DL (44) 171 253 2532 FAX (44) 171 490 3007 EMAIL: AFX.SALES @ FT. COM AND NEW YORK, USA (212) 641 2418

FINANCIAL TIMES



Financial Times.
World Business Newspaper.



Weekend FT. Even more figures.

The new look Weekend FT. From Saturday, March 8.

ARTS

Refined images

William Packer on two very different painters

ael Craig-Martin and Derrick Greaves, now overlap, if only by a week or so. For both are painters who have refined their work to the essentials of line set upon tone or colour, unmoderated by texture or apparent gesture. Everything is under control, the image reduced to the effective simplicity of the idiogram and elegantly disposed within the canvas. Whatever the literal nature of the representation, these are in some degree careful exercises in abstraction.

The comparison may be tempting and instructive, but it also deceptive, for these are artists of quite different instincts, practice and principle. Craig-Martin, the more obviously figurative, is the more calculating and remote; Greaves, the more abstracted, the

more intuitive and various. --At 55, Michael Craig-Martin has long been something of a power in the land, a panjandrum of the of uniform thickness and empha-British avant-garde whose word sis reminiscent of early Caulfield as teacher and institutional con-but without the wit. These objects sultant these past 20 years has are drawn in conventional if not carried enormous, effective always reliable perspective their weight. He it is who has been the principal re-interpreter for his generation of the Duchampian pictorial space. The same objects heresy, that in Art it is the idea reappear, sometimes reversed, the

Theatre-

hen Mark Ravenhill's

Shopping and Fucking

opened at the Royal

Court last year I was

Dark look

at mankind

uncertain about its staying power,

but have to confess that the atmo-

sphere of the play has lingered with

me ever since. So too have the characters, with their shockingly empty

values and brittle vulnerability who

were living according to the rules of

a generation accustomed to junk

food: junk clothes and junk values.

but who were confused by their own

Revenhill's latest play is a darker,

more ambitious and more cerebral

venture into that dizzylogly vacuous

with ATC director Nick Philippou to

come up with a Faust for the end of

the millennium: a look into the dark-

est possibilities for mankind severed

from any tirge towards moral or spir-

itual progress. The play is not a

modern version of Faust, but a

rough recasting of the shape of the

story into a 20th century milieu. So

we have a philosopher figure -

and Bandrillard - who decides to think less and live a little more. He

finds himself in the company of a

young man who shares his enthusi-

asm for stomach-turning moral rid-

dies and who seems eager to con-

The two embark on a journey

together, but this being the 20th cen-

tury, they only have to travel down

the west coast of America to enjoy

all the depravity they desire. They

get stoned and have rough, empty

sex together in Death Valley, they

surf the internet and get involved

with a suicidal geek who advertises

himself on the self-mutilation web-

site. The play offers a nightmare dis-

tillation of a post-modern world

where "reality" can be turned vir-

tual by the computer terminal.

sume his theories.

ed on a combination of Foucault

gentler impulses.

bitions of recent work lege, he has passed the torch on to Craig-Martin computer. Such comby two painters. Mich. the young. Si monumentem mand of technology says a lot, so requiris, you need look no further up-to-date, so time-saving, so conthan the recent history of the Turner Prize.

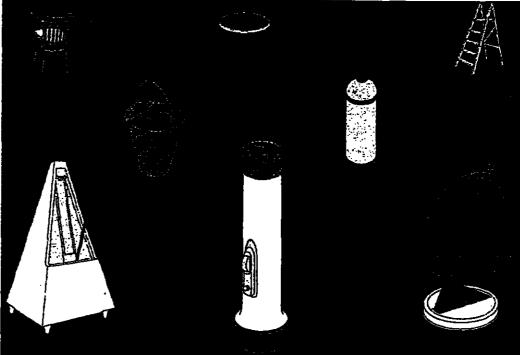
> The actual work of an artist of such influence and principle thus takes on an added interest. And here it is, these large canvases painted all over in a single colour of a saturated intensity, in which miscellaneous objects float about in a cosmic space - a chair, a table, a torch, a fire-extinguisher, a pair of handcuffs. These too are painted in colours straight out of the "Smartie" tube, in combinations quite as arbitrary and no less seductive - lime green on puce; mauve on scarlet.

t must mean something. The scale alone is impressive, and colour so intense is surely significant. And there is the quality of the drawing, too; to worry about, each object described in simple outline relative scale inconsistent with any coherent, indeed conceivable

y a nice chance, exhi-ment with the Goldsmiths' Col-stock of such images held in the venient. No need to muck about with pencil and paper. No need to draw.

> What, then, about the story, the content, the idea? A large green bottle, a scatter of spilt pills and an empty chair? A fan, an open safety-pin and an empty chair? An empty drawer, a pair of shoes and. yes, an empty chair? The truth is that any such portentous juxtaposition is the oldest surrealist trick in the game, and means nothing. These paintings, says Adrian Searle innocently in the catalogue, "are not to be trusted." Indeed, for they flatter only to deceive

Derrick Greaves is 70, and he too has been an influential teacher, and had his moment in the sun. But it was in 1956 that he was in the British Pavilion at the Venice Biennale, and 23 years ago he had his Whitechapel Retrospective, his last major show in London. But he has never stopped working, and that work, founded directly upon natural observation through the medium of drawing, has reached over the years a pitch of refined simplicity that few artists can match.



Calculated and remote: 'Knowing', 1996, by Michael Craig-Martin

always judged to a nicety, particular to the work, and full of life. The themes may be consistent the flowers, the human figure from which may be abstracted more particular images - but there is no question of the mere reshuffling of an existing stock. There is no going through the motions of invention, but only the actual invention of each new

His work lately has moved The line he now deploys may be closer to a pure abstraction in the that counts above all else. And same chair, bucket, pair of steps, uniform in its thickness, but constructivist tradition, using give it now. All I will say is that it 113 Upper Stree over his many years of involves plucked, we are told, from the never mechanically so. It is interrupted planes to establish a is possessed of a sculptural presumtil March 27.

quasi-architectural space, but ence and integrity that defies any there remains a residual figuration, in the ghost of a flower or still life, formal and schematic, or an abstracted, symbolic reference not so much to the female figure, nor to the female parts, but to the female principle - a curiously disinterested sensuality.

The upper room of the gallery is given to the distinguished ceramist, Gordon Baldwin, whose remarkable work deserves rather more than the mere mention I can narrow definition as mere craft. There is no more impressive a show of modern sculpture anywhere now in London.

Michael Craig-Martin - Innocence and Experience: Waddington Galleries. 11 Cork Street W1. until March 8; with prints and Book at Alan Cristea Gallery, 31 Cork Street, until March 15. Derrick Greaves at 70: also Gordon Baldwin - ceramics; Hart Gallery, give it now. All I will say is that it 113 Upper Street, Islington N1,

Sixties' protest music en years ago there

Concert

were people in Birmingham looking ahead to the year 2000, long before the lottery or the Millennium Commission ever came into existence. They came up with Towards the Millennium: 2 decade by decade festival of the arts in the 20th century. So far it has proved an informative angle to take, which nobody else has sought to emulate. This year it reaches the 1960s and Simon Rattle was back at the Royal Festival Hall on Friday, together with his City of Birmingham Symphony Orchestra, to open the series of concerts devoted to that decade. In music, as elsewhere, the 1960s were a time of accelerating change.

The main work - a protest banner from the sixties, if ever there was one – was Henze's The Raft of the Medusa. Composed in 1968. this hour-long "people's oratorio" did not just seek to engage controversy; it sparked a demonstration of its own. At its first performance in Hamburg, a group of students raised a red flag on the platform, the police intervened and the concert was abandoned.

This was the decade in which music became a political art. Perhaps Woodstock and the power of popular music had something to do with it. Or maybe composers felt a need to take a social stance because of their dependence on the state (it is ironic that rebellion came when they were in receipt of more state funding than at any time before or since). Either way, Henze had a message and it was Socialist with a capital "S".

ow well does The Raft of the Medusa stand up now? Its humanitarian theme is for all time. not just of contemporary interest, so a performance to move. Despite the large instrumental forces, the triple choirs (BBC Singers and City of Birmingham Chorus and Youth Chorns) and a seemingly broad canvas, it. is a surprisingly concentrated work. Henze tells the tragic story of the common man shipwrecked and left to

die with narrative urgency. The listener comes away gripped by the story, much more so than by the music. which is thin on the ground, atmospheric but not much more. Perhaps Henze, who was present in the audience. would be satisfied with that. if it meant his message had got across. Certainly, there was no reason to find fault with Rattle, the baritone David Wilson-Johnson or speaker Franz Mazura. I would have liked sharper playing from the CBSO in Stravinsky's Requiem Conticles, which came before, but the taxing Henze was an admirable corporate effort.

Richard Fairman

Kieran Cooke

Theatre in Dublin

Family troubles

he problems of Northern Ireland are not just concerned with politics and religion. The province is one of the more traditional, conservative communities in western Europe in which family and tribe are at the centre of life. Violence is often more about settling old family feuds than republican loyalist insistence on preserving the status quo.

In A Little World of Our determined to hold the line against the dreaded "Taigs" or Catholics. "Namby pamby ways don't get results" says Rav.

reconcile the bigotry and violence around him with his fiancée's insistence that he puts his trust in God. Richard, the other brother, is mentally disabled, deeply loyal to Ray on whom he looks for protection and ence, upstairs,

love with a girl who has him. been seen going out with a Catholic. Ray decides to take natters into his own hands: Family honour is at stake.

The results are disastrous. Gary Mitchell is one of a growing band of Northern Ireland playwrights responsible for injecting new spirit into Irish theatre. Like Damian Gorman (Loved Ones) and the late Stewart Parker (Pentecost), Mitchell does not spare his audience any of the horrors of life in these claustrophobic com-

It is a sad, brutal world in which everyone watches each other, every action is questioned, every word carefully weighed. The sparse living room set emphasises this insulated society. Ray is a freelance operator

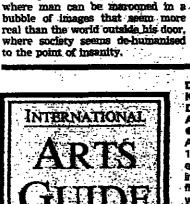
who spurns the local loyalist paramilitaries. Walter is the mysterious, black jacketed "fixer" who negotiates dreams of a united Ireland or between the family and the unseen Monroe, the military godfather. "Things are getting out of hand" Walter Own centres on three keeps repeating like a Beckbrothers living in the ett refrain. Justice has little staunchly loyalist area of meaning: what matters is North Belfast. Ray is the showing the community hard man who delights in round you that family honour wil uations like this it's not a case of what should be done - it's what people feel

should be done" says Walter. The tension is maintained Gordon is struggling to throughout the short play. Stuart Graham, as Ray, is a convincing hard man, showing no remorse for his actions. The mysterious Walter is quietly underplayed by Lalor Roddy. Marc O'Shea gives a masterful performance as Richard - a boy guidance. The mother is a who can do cunning card powerful but unseen pres- tricks yet is innocently unaware of the impact of the The hapless Richard is in terrifying events around

> This is not relaxing theatre. At times the dialogue ms rather repetitive. The violence is trowelled on with no let up. Yet this is a glimpse into a world outsiders rarely see. At a time when politicians are trumpeting the importance of the family and its values this is a reminder that when the home turns in on itself. things can go terribly wrong.

munities in Northern At The Peacock, Dublin

Further CBSO Towards the Millennium concerts on March 9 and 12. until March 15. Contemporaine Dans les



AMSTERDAM

EXHIBITION . Rificamuseum. Tel: 31-20-6732121 Duits Steengoed: exhibition presenting 16th and 17th century German earthenware from the museum's collection. Most of the objects were produced in the Aachen-Cologne area; to Mar 9

BREMEN EXHIBITION Kunsthalie Bremen Tel: 49-421-329080 Paula Moderschn-Becker in Bremen: exhibition featuring some 100 paintings by the German artist Paula Modersohn-Backer (1876-1907) drawn from the ∵ collections of the Kunsthalle Bremen, the Paula-Modersohn-Becker-Stiftung and the Kunstsammlungen

Böttcherstrasse; to Apr 6. ...

Det Danske Kunstindustrimuseet - The Danish Museum of Decorative Art Tel: 45-33149452 Calebrating American Craft American decorative art 1975-1995; the first major exhibition of American craft held in Denmark, featuring ceramics, fibre-glass, metal, textiles and wood. The display has been loaned from the American Craft Museum and includes works by 100 artists; from Mar 7 to May 4

of the Faust story, because the terms

of the journey are set by the philoso-

pher's agenda. Where other Fousts

might explore the danger of progres-

altogether bleaker. Beginning with a

God-less interpretation of the world.

it has no need for any pact with the

devil - it is often hard to tell which

character represents the Faust fig-

ure and which Mephistopheles. The

characters' spiritual isolation is

their hell, but worse still, Ravenhill

EDINBURGH

EXHIBITION Scottish National Gallery of Modern Art Tel: 44-131-5568921 James McIntosh Patrick: exhibition marking the artist's 90th birthday and featuring around 10 oil paintings, watercolours and prints. McIntosh Patrick's work concentrates on minutely-detailed panoramic tandscapes; to Apr 20

FRANKFURT

ART & ANTIQUE FAIR Alte Oper Tel: 49-69-1340400 Antique Week: antique fair which includes a collection of jewellery shell cameos by the jeweller Tommaso Saulini, dating from the early 1800s; from Mar 6 to Mar 9

■ HOUSTON EXHIBITION The Menii Coli 1-713-525-9400

the 25th anniversary of the commissioning of the Rothko Chapel, a unique assignment that allowed the abstract artist to explore potential interactivity tween painting, architecture and natural light; to Mar 30

A nightmare distillation of a post-modern world: Alain Pelletier in Mark Ravenhill's 'Faust'

dead; progress is dead".

As a piece of theatre it starts

Pelletier's desecrated.

slowly, but gradually ensuares you.

detached philosopher complemented

by Pete Bailie's jumpy, defensive

student. And both play and produc-

tion cannot resist the funny side of

the world they portray. On a TV set

at the back of the stage a chorus of

American teenagers keep reminding

It is an exceptionally dark version is no God, but one where, "man is

sive thought and the audacious has a ghastly fascination and Philip-

impulse to challenge God, this one is pou's production is perfectly cast:

not only posits a world where there us of the confusion of the coming

Alain

LONDON CONCERT

Barbican Hall Tel: 44-171-6384141 Trout Quintet: violinist Gidon Kremer, viola-player Veronika Hagen, ceilist Clemens Hagen, double bass-player Alois Posch and planist Oleg Maisenberg perform works by Harbison, Schnittke and Schubert, Mar 7 EXHIBITION

Mayor Gallery Tel: 44-171-7343558 Patrick O'Reilly. The Porcelair Drum: exhibition of work by the Irish artist who produces work that reflects a lifelong interest in philosophy; to Mar 19

CONCERT Royal Festival Hall Tel: 44-171-9604242 BBC Symphony Orchestra: with conductor Andrew Davis. soprano Louise Winter, baritone Alan Opie, the BBC Symphony Chorus and the New London Children's Choir perform works by Stravinsky; Mar 7

EXHIBITION Serpentine Gallery Tel: 44-171-4026075 Richard Deacon: former Turner

commissioned for the Serpentine's lawn while the gallery is closed for renovation. The piece uses moulded polycarbonate to represent the Catalpa trees growing on the gallery's East side lawn; from Mar 6 to May 4

then on tour.

petition tough.

Stodgy and unwieldy in places, it the point of food in the house when

generation. At one point a young

his mother for stealing a VCR dur-

ing a riot, replies: " Mom, what is

you have nothing to watch while

you are eating it". As Ravenhill sug-

gests, this is a world where even

Mephistopheles would find the com-

Continues at the Lyric Studio, London W6 to March 15 (0181 741 2311),

Sarah Hemming

citizen of Los Angeles, scolded by

■ LOS ANGELES

EXHIBITION Huntington Library, Art Collection and Botanical Gardens Tel: 1-818-405-2100 Picturing America: Benson J. Lossing's Mustrated Histories: display of historical drawings by the American artist and histori who wrote and illustrated pictorial field books of the US Revolution, the Civil War and War of 1812. Alongside the drawings will be original manuscripts, letters and printed volumes; to May 11

■ MADRID

EXHIBITION Museo Nacional Centro de Arte Reina Sofia Tel: 34-1-4675062 SMS: Colección de Múltiples: display of work commissioned in the late 1960s by the New York surrealist William Copley, with the aim of producing art free of limitations on material; to Mar 10

MUNICH

OPERA Cuvilliés-Theater - Aites Residenzibeater Tel: 49-89-296836 Shannon Rose: by Sibelius. Staatsoper. Soloists include Judith Turos, Luca Masala and Kirill Menikov; Mar 7

NEW YORK **EXHIBITION**

Brooklyn Museum Tel: 1-718-638-5000 Mistress of the House, Mistress of Heaven: Women in Ancient Egypt: exhibition examining the role of women in ancient Egypt in the court, family and temple. About 200 objects will be on display, including 20 rarely seen pieces from the museum's permanent collection; to May 18

CONCERT Carnegie Hall Tel: 1-212-247-7800 Vienna Philharmonic Orchestra: with conductor Daniel Barenboim perform works by Seethoven: Mar 7

EXHIBITION The Metropolitan Museum of Art Tel: 1-212-879-5500

 The Florene M. Schoenborn Bequest: 12 Artists of the School of Paris: a display of 21 major 20th century works given to the museum by Florene M. Schoenborn. The artists featured include Brancusi, Braque, de Chirico, Dubuffet, Matisse, Miró, Picasso and Rouault to May 4

PARIS

EXHIBITION Centre Georges Pompidou Tel:

Collections Nationales: exhibition featuring photographs by contemporary artists such as Christian Boltanski, Alain Fleischer, Annette Messager, Jun Shiraoka and Helmut Newton; to Mar 31

CONCERT Salie Gaveau Tel: 33-1 49 53 05

 Talich Quartet: perform works by Mozart, Shostakovich and Beethoven, Mar 8

■ THESSALONIKI EXHIBITION

Thessaloniki Cultural Capital '97 Tel: 30-31-867860-6 Image and Icon: exhibition examining Greek photography over the past 20 years. More than 280 photographs are on display by over 40 photographers. The exhibition is being held at the Macedonian Museum of Contemporary Art; to Mar 16

■ VIENNA **OPERA**

Wiener Staatsoper Tel: 43-1-514442960 Fedora: by Giordano. Conducted by Luisi and performed by the Wiener Staatsoper. Šoloists include Cura, Chaignaud and Harris, Mar 6

Listing selected and edited by ArtBase The International Arts Database, Amsterdam, The Netherlands, Copyright 1997. All

WORLD SERVICE BBC for Europe can be received in western Europe on medium wave 648 kHZ (463m)

> **EUROPEAN** CABLE AND SATELLITE **BUSINESS TV** (Central European Time)

MONDAY TO FRIDAY NBC/Super Channel:

FT Business Moming

10.00 European Money Wheel Nonstop live coverage until 15.00 of European

business and the

financial markets

Financial Times Business Tonight

CNBC:

Tonight

08.30 Squawk Box

10.00 European Money Wheel

18.00 Financial Times Business

E CAPENHACEN

Martin Wolf

To fund or not to fund

Although funded private pension schemes have attractions over pay-as-you-go state schemes, they may well not deliver adequate pensions

Are you a "baby-boomer". born, like me, shortly after the second world war? If so, are you wondering whether the generous pension you developing countries. have been hoping for - or were even promised - will

ever materialise? The fear that pension promises will not be kept is would raise savings and so pervasive. It has become a investment, both at home central theme in discussion and abroad. But there is of the bloated pay-as-you-go public pension schemes of continental Europe. These national savings, unless worries are not mistaken. people were compelled to As was argued in an earlier column (FT. January 28 save more than they would otherwise do. Generous 1997), the extraordinarily incentives to pensions could generous pay-as-you-go public pension schemes of even lower savings, since a France. Germany and Italy target income can be achieved with lower outlays. for other savings, the effects look unsustainable in their Certainly, there appears

present form. Yet it would be wrong to to be no clear evidence that conclude that adequate funded pensions raise incomes in retirement will national savings. The be provided in countries savings rates of the US and that rely heavily on private UK, the members of the group of seven leading funded pensions, such as the UK. To appreciate the industrial countries with the highest dependence on difficulties it is necessary to return to economic first private pension funds, are exceptionally low: 16.2 per cent of GDP in the US in

However financed, a pension represents a claim on resources available at the time the pension is paid. This simple truth permits Mr Malcolm Crawford - a British economic journalist – to condemn those who attack pay-as-you-go pension schemes as promulgators of a big lie.*

any difference to the consequences of an ageing population depends," argues Mr Crawford, "on whether it generates a higher level of gross domestic product between the time when contributions are paid and the period when those contributors receive their pensions". Up to a point, Mr Crawford. He is wrong, for example, to examine funded pensions only in the context of a closed economy. What matters, therefore, is gross national product, which allows for net income from foreign investment. The dis-

tinction between GDP and

GNP is far from academic, all proposals to privatise largely because many of the existing pay-as-you-go pen-highest yielding invest- sions. Professor Martin Feldments are likely to be stein of Harvard University abroad, particularly in has, for example, proposed the replacement of US social How might the funding of security by a funded pensions affect GNP? The scheme. But his analysis of obvious answer is that it its benefits and feasibility** depends on his assumption that there will be "increand abroad. But there is mental real savings". Prof good reason to wonder Feldstein assumes the whether pension funding return on the pay-as-you-go would of itself increase scheme is 1-2 per cent, while the return on the funded pension is 9 per cent. But the contrast depends on the assumption that the latter represents a net addition to the capital stock. If funded pensions merely substitute

> proposes would be much less favourable. The chances that funding will not raise national savings significantly undermines the assumption that it would make pensions much easier to pay. Nevertheless, other economic effects of funding should not be forgotten.

> of the shift Prof Feldstein

The development of long-term pension funds will, for example, deepen the market for risk capital, with potentially beneficial tive effect on savings taints effects on the economy.

41.0

The varying role of private pensions

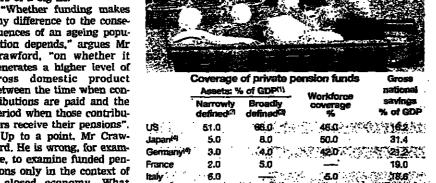
1994 and a mere 13.5 per

cent in the UK. compared

with much higher levels

This doubt about the posi-

elsewhere (see table).



1. At the end of 1991 III. Fundo

market may be still more the pensions people receive are closely related to their contributions, they will regard those contributions as savings. If they are not as under most pay-as-you-go systems - the contributions look like a tax. A shift to a funded system should. therefore, raise the incentive to work and increase GNP. This is among the most significant advantages of the Anglo-Saxon, as opposed to the continental,

The beneficial effects of funding on the labour market apply, however, far more to defined-contribution schemes, in which pensions are related to individual contributions, than to standard occupational definedbenefit schemes. True, defined-benefit schemes can help sustain mutually beneficial long-term relationships between employers and employees. But they also impair voluntary job mobility and provide an incentive for imposed early

pensions model.

retirement and redundancy. Funded and pay-as-you-go public pensions are also subject to rather different risks. The latter are backed by the power to tax. This creates the political risk that politicians may find it convenient to renege on promises their predecessors found it convenient to

Yet private funded pensions also confront political risks: taxation may be changed or inflation promoted. More important, they are exposed to market risk - the most important of which is to equity prices. In particular, as funds sell assets to finance pensions in payment, they will drive down the prices of equities to some extent.

Thereupon, corporate sponsors of plans that promise a pension related to final pay would need to raise their contributions. This

The impact on the labour would cut their dividends unambiguously helpful. If of other pension plans. As for owners of definedcontribution pension plans, they would find themselves

poorer than they hoped.

A final problem with funded private pensions is that administrative costs are high. Partly as a result, they tend to exclude the least well-off segment of the population. For this reason, no high-income country has yet managed to provide a secure and adequate retirement income to all by relying on private funding alone. Either, as in the UK, there is a high degree of inequality among pensioners. Or, as in the US and continental Europe, there is heavy reliance on a public

pay-as-you-go scheme.

Given the risks and costs

associated with the different types of pension, the sensible approach is to offer a basic pay-as-you-go scheme, along with encouragement for private provision. Whatever one's government or employer may promise, it would be foolish to put all the retirement eggs in one basket. More important still for most individuals - and for most countries - the ability to emjoy the pensions they hope for (or have promised) demands consistently higher levels of individual -

don: Institute for Public Pol-

icy Research).

and national - saving than they have been prepared to make. Unfortunately for many older baby-boomers, this advice may already come too late. *Malcolm Crawford, "The Big Pensions Lie," New Economy, Spring 1997 (Lon-

**Martin Feldstein, Would and some smaller islands. Social Security Raise Economic Welfare? National Bureau of Economic Research Working Paper 5281: Feldstein and Andrew Samurick. The Transition Path in Privatizing Social Security, NBER Working

·LETTERS TO THE EDITOR

Number One Southwark Bridge, London SEI 9HL

No Nato seat for Russia or Japan Prom Dr Jonathan Eyel Sir. I secured to the second s

Sir, I assume that Professor Richard Layard sought relief from his worthy academic pursuits when he ventured into grand strategic thinking by suggesting (Letters, February 25) that the current dispute over Nato's expansion can be avoided if Russia and Japan are offered eventual membership of the Atlantic alli-

ance. Quite apart from the fact that the two will first need to solve their territorial dispute over the Kurile islands. Nato membership makes no sense for either Japan or Russia. Just about the only issue on which the two may conceivably agree would be to regard China as a potential danger, and the encirclement of China can never be

think how Ukraine will react disastrous game of balance to such shenanigans? An institution which groups all the leading states in the Euro-Asian land mass already exists: it is called the United Nations.

Contrary to Prof Layard's

belief, Nato's enlargement is not designed to "create a wider alliance against Russia". Indeed, the inclusion of a few central European countries is actually in Russia's interests. Poland, the Czech Republic and Romania will never be Russia's allies. Left outside Nato, these countries will start forming their own regional alliances with Ukraine and, once this process is complete, neither Germany nor Russia will be able to resist involvement. The surest guarantee against an arms race in central

of power is precisely through Nato's expansion. The west, therefore,

should have the courage to tell Moscow that, for the sake of future Russian generations and the security of an entire continent, Nato's enlargement will proceed. There is much that Russia and the west can do together, but indulging the dreams of some Moscow leaders about recreating a sphere of influence in the heart of the continent should not be one of them.

director of studies. Royal United Services Institute for Defence Studies, Whitehall London SW1A 2ET. UK

Jonathan Eval

Caribbean needs new deal | Government is

From Prof Bishnodat

Persaud. Sir, I must congratulate Joe Rogaly on his highly informed piece ("Another finger in the banana pie". March 1) on the threats facing access of Caribbean bananas to the EU. He is right to imply that this issue cannot be accepted simply as the inevitable consequence

of moves to freer trade. The Caribbean recognises the need to rely more on freer trade. The economies are being adjusted boldly from international and regional preferential systems, and significant achievements have been made in Trinidad and Tobago, Guyana, Barbados

However, when a fragile manufacturing sector built up by high levels of protection in these small islands is subject to increasing competition, erosion in export preferences in the EU and North America must not be unduly accelerated over areas such

as bananas, sugar, rice, rum,

textiles etc. The Caribbean entered the Lomé Convention with UK encouragement. The UK understands the special diffi-

culties that would be faced

in a speedy removal of trade preferences. In the past, the UK sought to protect Caribbean interests in Europe. The Caribbean needs a revised arrangement with the EU when the Lome Convention is renegotiated. It must work with Britain and other sympathetic EU members towards such an arrangement, in which a regional adjustment fund and encouragement for private investment in services and non-traditional indus-

Bishnodat Persaud, University of the West Kingston, Jamaica

tries must help reduce pov-

these middle-income coun-

which are unusually high for

erty and unemployment.

not a black art

From Mr Robert McDowell. Sir, Philip Stephens is right, but for the wrong reasons, to say ("The apparition of opposition", February 25), that "it is absurd to argue that Labour is disqualified from office by its inexperience". Government is not a black art known only to experienced cabinet ministers, not so long as we have a free and inquiring press. It is the media's responsibility,along with that of the opposition parties, to ensure that government actions are transparent.

There are many who believe the Conservative party will benefit from the experience of a few terms on the other side of the House, by which measure Labour stands more than ready for the responsibilities of office.

Robert McDowell, Banking & Securities Industry Consultants, 17A St Bernard's Crescent, Edinburgh EH4 INR, UK

COLLEZIONI

Philip Stephens

No escape from the past

From the economy to Emu, Mr Major's case deserves a hearing but, after 18 years in power, his fractious party has seen voters' trust shift to New Labour



the world outside the prime minister's comes a constant flow of dis-

harmony and dissent. Forecasts of a narrow election victory for New Labour give way to predictions that Tony Blair will sweep to power in a landslide. Within, John Major seems

almost alone in believing that, if he could only raise his voice above the din, he might yet win the election. Almost alone. Michael Heseltine's wager that the Tories will secure a majority of 60-plus has crossed the line between bravado and fantasy. But, for the deputy prime minister, winning is a state of mind. He cannot function if he admits any other possibility.

There is a curious chemisry between the two men. They seem relaxed in each other's company. On most things they agree. It was not always thus. Mr Major long mistrusted the author of his succession to Margaret Thatcher. But the crude jostling for personal advantage among others in the cahinet the latest from Stephen Dorrell, the health secretary - appears to have drawn the two men closer. Win or lose, Mr Heseltine does not intend to figure on the lengthy

charge sheet of the disloyal. The frustration is easily explained. The same opinion surveys which show Mr Major's government lagging an unprecedented 15 to 20 points behind New Labour, testify to the growing strength of the economic feel-good factor.

Those who witnessed Nigel Lawson's economic miracle shatter into recession are not much impressed by the politicians' hyperbole. There have been too many broken promises for that. But most people are better off, inflation is subdued and the recovery does look sustainable. Mr Major might expect just the odd shred of

Suddenly, Europe seems his stall at the Conserva-

the frustra- nomic and monetary union tion in 10 the rack on which the Con-Downing servative party has been all Street. From but broken - is a less certain prospect. Mr Major, it is said, is sure Helmut Kohl will acknowledge by the autumn that the single currency must be delayed.

This scenario would see the chancellor keeping faith with the German people by upholding the economic convergence criteria. The delay might be two or three years. If only the German chancelfor would say as much now. Wishful thinking on Mr Major's part perhaps, but it is no longer an absurd proposition. And how futile then would seem the Tories' self-destruction on the rocks of Eurosceptic ideology.

So Mr Major's thoughts dwell ever more urgently on how he might break through to the voters, on how to push the stories of Tory disarray from their reserved slots on every front page. Running ahead of his party in the opinion polls, his will be a highly personal cam-paign. There will be the traditional rallies, of course. But, in the spirit of the soap box, other set-piece speeches will be delivered from the market square.

He is thinking hard about a televised debate with Mr Blair. The prime minister carries uncomfortable baggage on this issue. When Neil Kinnock laid the challenge in 1992, it was dismissed as the transparent ploy of losers. But, for all his feigned insouciance, Mr Major cannot ignore the polls. And, if the format of the encounter was right, there would be advantage.

A debate choreographe by one or two distinguished broadcasters, and without a rowdy studio audience, would allow him to break out of the soundbite politics which perhaps because he has never mastered the technique, he detests. He does not intend to take the initiative. And Paddy Ashdown. the Liberal Democrat leader. would have to be nudged to one side. But the prime minister is not saying "No". Before that, he will set out

You can taste less threatening too. Eco-tives' spring conference in 10 between the cruder, flag days time. By then it should be clear the election date Major's private realism. He cannot be other than May 1. The Bath gathering will thus provide the platform for a long carmaign

> Word has it that those on the Tory right looking for an ever wider sea of clear blue ties will be disappointed. Perhaps it is Mr Heseltine's influence, perhaps it is a mood of the moment. The modulation has changed many times before. Yet Mr Major seems at last to have rejected the nonsense that says he would do best by retreating further from the centre ground. It is here the election will be decided.

On the economy, the message is that only the Conservatives have the instincts to capitalise on recent economic success - witness the universal antagonism within Mr Blair's party towards plans to privative London's underground rail network. New Labour's conversion to the market may be a compliment. It is also skin deep. The prime minister,

though, is less hawkish about spending and tax than the cabinet's apostles of small government. Abolition of inheritance and capital gains tax are long-term ambitions. A 20p basic rate of income tax is just about as far as any government could go without hollowing out the foundations of the welfare state. Mr Major's intention is otherwise. On Europe too, there is an apparent disjunction

Mr Major's thoughts dwell on how he might break through to the voters and push the stories of Tory disarray from their reserved slots

is no friend of a single cur rency. He would think hard

before giving up sterling. For all that, there is some thing in the back of his mind that tells him a Conservative government might, just might, have one day to put economic prosperity before jobs. Nor has he budged from the view, publicly expressed last year, that those who contemplate divorce from Europe are living in a faraway land of clouds and cuckoos

In all this, and in the cri-tique of Labour's plans for constitutional upheaval. Mr demands a hearing. If others in his party will not make it he, with Mr Heseltine's help. will do so regardless.

And yet, amid his frustration with the media and the malcontents on the Tory backbenches, my own view it is probably too late to overcome the odds. The Conservatives have lost the most precious commodity in politics - the trust which perpoliticians the benefit of the doubt

That now lies with MI Blair, acting as an invisible against every onslaught. It may be obvious to all that the opposition's arithmetic is at best inventive, its plans for the constitution half-formed. Such flaws count for little against

In part, Mr Major is simply paying the price of the Tories' 18 years in power. Alongside there is the poisonous legacy of Mrs Thatcher's dethronement, and its fatal entanglement with the politics of Europe. The indiscipline, factionalism and opportunism of cabinet and backbench colleagues alike is ever compounded by the re-emergence of enemies from the darker recesses of the Thatcher decade.

That, Mr Major would say is the past; the election is about the future. But politicians can escape neither

Number One Southwark Bridge, London SEI 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Tuesday March 4 1997

Bank tremors in Thailand

Asian countries with serious banking problems are Thailand and South Korea. Both suffered a marked economic slowdown as exports weakened last year. Their banking troubles show how dependent Asia's financial institutions are on high economic growth feeding through into asset price inflation.

1 P. 1

11.-

. بالمحقود

nin 🗸 👝

Marie --

lei ag

40.00

Terrender of the control

Marie .

Friet.

M. Mar. 1.

9.7

ن جي آ

Commence of

4

37=

It has been clear for a while that a rescue operation will be needed for Korea's banks. Now Thailand has arranged a bailout of the Finance One finance company and launched a package of prudential measures. Its coming on to the market this authorities, too, are finally year and next exceeds forecast being forced to recognise the severity of the problem their

banks face with property loans.

Last year it was fashionable to dismiss comperisons between the land and Mexico. Thailand Thailand and Mexico. Thailand also relies beavily on short-term capital flows to finance a large current account balance of payments deficit, but the general view was that its higher growth rate would float it away from the kind of crisis that overtook and, if necessary, central bank

That may still be the case. Thailand has reserves equivalent to more than six months of Asia as a whole. Other counimports. Even if things deterio- tries, notably the Philippines rate, there is no global systemic and Malaysia, face a property risk and there is unlikely to be glut. But immature economies a need for a Mexican-style inter-

problem. That banks and com- managing them.

eign currency borrowings. They will face serious repayment difficulties if the baht is allowed to fall. So the Bank of Thailand believes it must hold up interest rates, even though weak demand would normally indicate easier monetary policy.

The snag is that this is storing up further trouble in the financial sector. With some thing like 70 per cent of bank credit backed by property collateral or lent directly to that sec tor, more trouble is on its way. The new supply of property demand by a multiple.

Thailand's authorities cannot wriggle out of the difficulty by persuading stronger banks to take over ailing institutions. That would only weaken the system as a whole. Some institutions must be allowed to fail. Confidence in the rest must be rebuilt with deposit protection, tighter accounting standards as well as strengthened capital liquidity support.

That need not mean the Thai miracle is over, still less that of will always suffer growing pains: Thailand's experience But that is not to belittle the underlines the need for care in

Phone dilemma

As the bosses of American the flexibility of its smaller Telephone & Telegraph bare rivals. Not only can they offer their souls before Wall Street. lower costs, they may also be other telecoms operators should able to offer better service. wince in sympathy. AT&T's two-day meeting for analysts is with a dilemma. The costs of more than just an opportunity outflanking its smaller rivals, for the company's new president, Mr John Walter, to rees- heavy investment, may be more sure investors. It is also a than shareholders can contemreminder for telecoms operators round the world that deregu-

lation has two stages. in the first stage, newly liberated monopolies - the AT&Ts, structure unsustainable. British Telecommunications, CDeutsche Telekoms - unleash the competitive energies held back by decades of regulation. Marketing is king workforces marketing is king workdores and set to still in the first, virtuous, phase; maximise profits reither than to said they inevitably have a meet the arcime rules of reignis, closes relationship with local tory accounting Test entrance customers than AT&T. To comfind it hard going the foreign pote in the local market without monopoly's market share falls, running wire down every street faster still Customers and

shareholders alike are happy. The second stage is one which ATET has already entered, and which the privatised talecoms operators elecwhere will inevitably encounter in some form. In this phase, technological innovations and the harderen survival skills of the remaining adt teetle of frets starting wen ormer monopolist's advantages if incumberry, No matter how ast the big company restruct giants, the world is a care, it finds it hard to effect more expensive place.

That leaves the big company by yet more reorganisation and plate. Yet without such a gamhie market share will erode at an accelerating pace, eventually making the big company's cost

For AT&T, the dilemma is particularly acute, since it faces a second set of competitors, in the form of its offspring, the Baby Bells. Many of these are but rapid growth in call vol. in America AT&T plans to use umes offsets this, and costs fail. fixed wireless technology. But

even this is costly. Yesterday and today, AT&T is telling its shareholders the unnalatable news: buying a monta into the fature is expensive. The lesson is relevant to other telecoms operators, worldwide. For each, the precise threats are different. Yet all face a similar dilemma. They must continue to invest, ye cannot be sure of sustained returns. For the telecome giants, the world is a riskier.

TV debates

E the moment to correct this indemocratic anomaly.

eaders are circling with varyng degrees of suspicion around he idea of a debata. But a clear hallenge has yet to emerge ther from Mr Tony Blair of Mr ohn Major. Behind the scenes. here is cavilling about pot erms and the threat of legal-iction if Labour and the Turies onspire to exclude the Liberal lemocratis' Mr Paddy Ashdown . This would not only be to deny rom an eventual contest.

mplifies the vacuity of current olitical discourse. With policy ifferences between the main erties shrinking and reasoned olicy discussion supplanted by oundhites and slogans, the peronalities and instincts of the able within the right framearty leaders assume greater mportance. A properly organ- tral body - the Hansard Society sed TV debate is the voters' est chance to compare the canidates and test their argu-

How do we get from here toor opposition leaders to chalange and incumbents to should not be allowed to do so ecline. The one exception was and in the process escape the

duck a challenge. One possible problem con-

This and other obstacles would be emicently surmountwork. What is needed is a neuand the Electoral Reform Society both spring to mind as internationally respected arbiters to propose terms and negotiate with the parties on its own inihere? Past experience is not tiative Left to themselves, the ncouraging. The tradition is politicians will find it all too easy to fail to agree. They

COMMENT & ANALYSIS

Curse of the pyramids

Albania's impressive transition to the free market is threatened by the storm over failed investment schemes, says Kevin Done

lbania is staring into the abyss. In the first fearful hours of a state of emergency, the country is in danger of slipping back into the chaos that marked its traumatic emergence six years ago from decades of Stalinist isolation.

Mr Sali Berisha, Albania's president, has failed to find a political solution to the rising wave of violent unrest that has swept the country during the past six weeks. On Sunday night, after the fall of the government led by Mr Aleksander Meksi, he took the desperate gamble of deploy-

ing troops to try to end the riots. Triggered by the collapse of a string of fraudulent pyramid finance schemes that has cost many Albanians their life's savings, the current turmoil has developed rapidly from a financial disaster into a political crisis. But it also threatens to undermine the fragile stability of the surrounding Balkan region.

As Mr Berisha desperately tried to maintain his grip on power, he was re-elected president yesterday by parliament for second five-year term - with 113 votes in favour, one against and three abstentions.

The result was never in doubt. His ruling Democratic party holds 122 of the 140 seats in the parliament following a general election last year which was widely condemned for ballot-rigging, intimidation and violence.

Even as Mr Berisha was swearing the presidential oath yesterday to "protect and develop democracy, freedom and human rights", the authorities were imposing a nationwide state of emergency with a dusk-to-dawn curfew, roadblocks and censorship of the media.

Such drastic moves come after months of already mounting concern in the west, and in particular in Washington, about the increasingly authoritatian nature of the Berisha government.

A recently published US government human rights report says that: "The flawed May elections, coming at a time of further government pressure on the judiciary and the press were major steps backwards for democracy." According to the US study. organised crime has surged, the government's human rights record has worsened, while the judiciary is "hampered by political pressures, insufficient resources, inexperience, patronage and corruption".

Immediately after the fall of the communist regime, the country also lacked a functioning banking system, an environment that allowed the first pyramid mes to establish them The real pyramid scheme "mania" developed only during 1996, however, when new schemes were formed and competition drove up the interest rates offered. Albanians began to sell their homes, land or livestock to take advantage of promises from so-called charitable foundations to double their money in just two to three months.

According to western financial observers, more than \$1bn was invested in the schemes - equivalent to more than a third of the country's gross domestic product. The collapse of the schemes, which is still under way, has led to losses of hundreds of millions of dollars in savings and plunged

indiagoths to became bost of the Emprey Court hank — of the temprature which could sales suptant to inservouside economic and monetary

convergence. Beside the songs

But who are the dangerous

comset Not the legendary lattice

of the Lorelei - the rock in the

Rhine Where strens are supposed to lounge – but the inhabitants of a certain "stand". According:

to Tietmeyer, some of the

ighest tones of a financial

Presented with the chaics

een the continental

European system, which

Tietmoyer celebrated for its

long-termism, and the stren-

temptations of the Anglo-Sexon

of the fature".

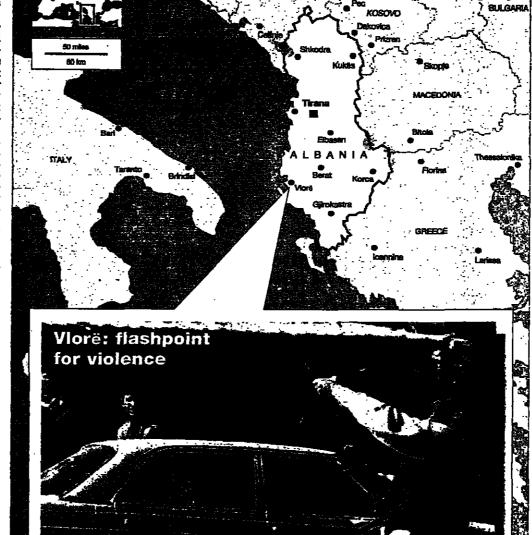
island's inhabitants "sing in the

which is supposedly that

of the strens," he said.

mes who could have

Duisonberg off his intended



These were the funds that should have gone into creating small businesses or paid for stakes in companies being privatised," says a foreign banker. They should have been captured in savings accounts or gone into

The protesters and the opposition parties have called for the dismissal of the government, which has been widely blamed for allowing the development of the fraudulent pyramid finance schemes. For a moment at the weekend Mr Berisha's hardline approach appeared to waver when he agreed that the Meksi administration should resign.

The gesture to the opposition forces was brief, however. Less than 24 hours later Mr Berisha imposed the state of emergency with a warning that the country As Albania has plunged deeper

faced the threat of civil war. into crisis the ruling Democratic Party has resorted to using the rhetoric of the regime it ousted. Mr Berisha vowed on Sunday to

poverty of the early 1990s. crush the unrest in the country, and other western institutions. which he described as "a communist rebellion backed by foreign intelligence agencies.

"This group has attacked the people, the institutions, broken the banks and freed prisoners. It is an armed communist rebellion. They have launched a war to take over the country.'

The turmoil triggered by the pyramid schemes' collapse is jeopardising much of the undoubted achievement of the early Berisha years.

At the start of his presidency in early 1992 Albania was close to starvation, its economy at a standstill, its agriculture and obsolete heavy industries in collapse. The image of the time was of thousands of desperate Albanians clinging to the sides of rusting ships, seeking to flee to a

Italy and elsewhere in Europe. The country pulled back from the brink in remarkable fashion and enthusiastically espoused the transition reform programmes put forward by the International Monetary Fund, the World Bank

On a per capita basis, more aid was poured into Albania than

into any of the other economies in transition from communism to the free market. The country was fast becoming a model pupil of only 3.2m, its problems, such as the absence of the institutions of a pluralist democracy, and a free market economy seemed manage-

Less than two years ago, inflation was down to 6 per cent and economic growth was outstripping any other country in former communist eastern Europe. But those gains had already started to slip away as last year's election loomed, as the government began to lose control of the budget deficit, inflation started to rise and the momentum of better life across the Adriatic in reform and privatisation was lost. And with all attention focused on holding on to power, the government ignored growing warnings from the central bank about the dangers of the mush-

rooming pyramid schemes.

Albania was also becoming

caught up in a growing lawlessness, which the fledgling institutions of a newly democratic state were hard-pressed to counter. Corruption is endemic in Europe's poorest country, where average public sector wages are less than \$100 a month and gross domestic product per capita at around \$850 is on a par with many African countries.

Illegal activities have flourished, ranging from drugs and arms trafficking to the movement of clandestine immigrants across the Adriatic to Italy. The years of UN sanctions against Yugoslavia encouraged smuggling, in particular of oil, into neighbouring Montenegro and Serbia

The process of unravelling the pyramid schemes is still far from over, and it is too early to asses the extent of the damage inflicted on the economy. The signs of concern are evident, however.

The currency, for several years one of the most stable in eastern Europe, has been devalued by more than a third since the beginning of the year, as confidence has ebbed away in the foreign exchange market. The rate of inflation is rising and in December had reached around 18 per cent year-on-year.

be budget deficit is under heavy pressure with the domestically financed deficit rising to 10 per cent of gross domestic product last year from 7 per cent in 1995. The economy is kept afloat only by the inflow of hundreds of millions of dollars a year from Albanians working abroad and from foreign aid from the European Union, Italy, the World Bank, Germany and

Albania's neighbours, Greece and Italy, are fearful of a fresh exodus of illegal immigrants. In Brussels and Washington, there is increasing alarm at the impact of mounting chaos in Albania on the neighbouring Serbian province of Kosovo where around 2m

Albanians live. The Kosovo Albanians, 90 per cent of the population, want independence from Belgrade which rules them with harsh repression a virtual police state. Although they look strongly to Tirana for support in their cause, the Berisha administration has so far advocated peaceful protests

within existing borders. But there have been recent signs of greater militancy in Tirana where an embattled government could seek a diversion from its domestic woes. Even the IMF and, with a population of without the latest turmoil, Kosovo was already regarded by many observers as the most explosive problem in the Balkans

tinderbox after Bosnia. Little can be determined, however, until the government succeeds in resolving the immediate challenge it faces on the streets. The ultimate price of paying off demonstrators and restoring calm through some type of government bail-out for devastated savers could easily take Albania

into a spiral of hyperinflation. Albania is a country with a legacy of fearful wounds suffered in 50 years of virtual isolation from the world under the harsh communist regime of Enver Hoxha. Sadly Mr Berisha, a former cardiclosist and doctor to the communist elite, has yet to show that he can provide the care to help the

The US does it most down the signifier and chal-parliamentary demonstrates in lenger Microsoft Thatcher he western world now do H as refused to pick it up. n matter of course. Editety, by This time could be different. contrast, lies never staged a Given his fiscial poll showings, elevised debate between its life Major has little to lose from nain political leaders – before a a debate and potentially much peneral election or at any other to gain. He is an attractive and ime. The election due by May - articulate performer in informal discussion, and he has a decent story to tell. The upside may be less significant for Mr Risir, but Aiready, the three main party it could be damaging for him to Marchinedano che Agenne e che idili Memore cuanno. Denembre esse premient di Est ppeni Minetary institue medicato ne potentime bost di

come Mr Ashdown. The Conservatives in particular - worried that the two other participants will gang up on their man may try to exclude the Lib Dem leader on the grounds that he is not a potential prime minister. the political arithmetic that This is feeble, and merely gives the third party the support of about a sixth of the elec torate. Almost certainly it would also leave the debate idea legally stillborn.

issaed clear advice: "Wirn, stay ozithe Continenti Whichever way he chooses, let's hope he days afficat.

Back chat

W: Ukrainians are famous talkers and are, nathrally, fond of nithees. So it comes as no contourses. So a constant Leonid Ktirima has formed a committee to talk about talking - in The president wants people to

stop nattering away in Russian, as most of them do, and take up the national language instead. A former Soviet factory boss, Kuchma set an example upon winning the presidency by dusting off his rather rusty Direction in public he never wavers. But, when haranguing advisers of chatting with his -ethnic Russian - wife, he quickly reserts back to the imperial things. Makes you wonder what language the new committee will use at its inevitably leng winded sessions.

Women's work M Once upons time, being a woman on Wife Street was an almost insurinomyable

handicap. These days it is being

trumpeted assesselling point.
Yvonne Cliffand Alexa Wilson
have not stocked the form

women: they argue that the feminine viewpoint gives them Their buy out firm, aptly

named Juno Partners, hopes to raise \$250m this year to invest in small to mediam-sized US companies. Cliff and Willson believe their contacts among professional and entremeneuria women will provide useful contacts. They also plan to focus on companies where being female helps them understand

enormous range of new products and niche services that have developed for women and children," says Willson. "Our lifestyle choices will have a direct bearing on our acquisition choices." They are already looking at dermatology and skin products designed to combat the effects of ageing. As if men don't have to worry about spots and wrinkles.

Thai in knots

new lows. A recent fax from Securities speaks volumes.

buy-out fund owned and run by

the business. "We are hyper-aware of the

■ Relations between Thailand's struggling property companies and their creditors are hitting developer President Park Group to Siam City Credit Finance &

"Re: Syndicated Loan of Baht 800 million [\$24m]," reads the

but not sent until the following afternoon. "We would appreciate you assistance in postponing our due with the consortium which is coming up on February 28, 1997. We would be able to make the payment on March 15, 1997. Nonetheless, we are trying to rush the sale transaction so that the above loan can be repaid by March 31, 1997." Though the indecipherable

warning was sent a little late less than five hours before payment was due - the fax might never have arrived at all. It was sent to a number which Siam City Credit has not used for more than a year and was addressed to one Nipon Viboolmeth, who is no loneer with the company.

Hard stuff

■ Suruggling contraband is big business now that Sweden is a member of the European Union, where spirits are significantly chesper. But Swedish customs are at a loss what to do with the half a million litres of confiscated liquor which is now

clogging up their warehouses. Rather than tip the illicit liquid down the drain, officials have instead decided to sell it. Not for public consumption, you understand. The first 11,000 litres of vodka has been sold to a company which plans to turn it

Ginancial Jimes

100 years ago

Millions Of Tarnation Dollars The Republican Club of New York City is exercised in mind by reason of the stubborn refusal on the part of Canada to beg for a share of the stars and stripes. The collective genius of the Club has committed itself to putting the matter to rights. Canada it appears, has been making money under the regulations that permit traffic to be carried from one point in Canadian territory to another via the United States without paying duties. The value of the regulations is said to be \$20,000,000 per amoun to the Canadian railways. That settles the matter. No reasonable American can be blamed for a shrick or two when twenty million tarnation dollars are going into a stranger's pocket.

50 years ago

Military Integration Integration of the British and French military forces would open the way for decisive economies in manpower for both countries. Britain is maintaining a military force far in excess of pre-war levels at a time when her home labour ranks urgently call for reinforcement. France has an unduly large proportion of her population similarly occupied when she urgently needs labour for agr

Fears grow for future of loan companies, Albania

Thailand halts trade in financial stocks

By Ted Bardacke in Bangkok

Thailand's finance officials suspended trading yesterday in banking and other financial sector stocks and announced a series of measures to prevent the collapse of the country's

Mr Amnuay Viravan, finance minister, said he could not guarantee that dealing in the stocks - which account for about 35 per cent of total market capitalisation and about 70 per cent of trading volume would resume today.

In reply to criticism from local and international investors for ordering the suspension of the bourse's most liauid stocks, he said he wanted to avoid any panic after the near collapse last week of Finance One, Thailand's larg-

He said the pause in trading would give the market time to absorb the new measures, under which banks and finance companies will be required to increase provisions for bad debts. They will have to make provisions over the

loans, in addition to the bad commercial bank, and doubtful loans they are

The cost is estimated at \$923m for banks and \$1bn for finance companies.

Some companies will also have to increase their capital. Ten finance companies with "liquidity problems" have been ordered to do so immediately. The finance companies have tended to lend to people and companies who would find it hard to borrow from banks.

The central bank will act as the lender of last resort to enable companies to meet the new provisioning and capital requirements.

Analysts estimate that five of Thailand's 15 commercial banks will need to increase provisions, and that most of the more than 90 finance companies do not even meet existing provisioning requirements - and will be unable to raise sufficient capital in the cur-

Many of these may end up under the protection of the central bank, merge, or be taken over - as was the case with Finance One. Its takeover next two years for substandard by Thai Danu Bank, a small Page 15; See Lex.

approved yesterday.

Bankers said the measures would strengthen the financial system's ability to withstand future problems. "Most important is that there is a strong formula for reserving for doubtful debts. This is fundamental for good financial management," said Mr Banthoon Lamsam, president of Thai Farmers Bank.

Yet, after weeks of denying that such problems exist, the admission by the central bank that several finance companies face liquidity crunches - combined with the unprecedented trading suspension - heightened fears that a systemic cri-

Despite a televised exhortation from Mr Chavalit Yongchaiyudh, prime minister, for people to stop and think before growing panicky", many finance companies reported runs on deposits. The stock exchange closed down 2.79 per cent.

Victim of a deadly financial cocktail, Page 4; Editorial

in TV group

Continued from Page 1

Murdoch

sells stake

to have been under pressure from Asahi group to buy the

The disposal is seen as a sign that the News Corp-Softbank alliance had not been able to achieve its taropposition had stopped it sending directors to the TV

"They had a stake, but no analyst at HSBC James Capel.

The two companies jointly own JSkyB, the satellite multi-channel broadcaster due to start services next year. Mr Murdoch had stressed that the co-operation of Japanese dcasters would be crucial to JSkyB's success. He had sought that co-operation through the TV Asahi stake.

Instead, he has received a loose commitment from the Asahi group to "maintain friendly relations and co-operate as much as possible in . . . JSkyB" in return for

selling the stake. "The merits lof the salel are very clear. The first is that it has resulted in an even closer relationship with Asahi Shim bun and not just TV Asahi," said Mr Murdoch. "It was a good experience which I think will lead to an even better

UN sees tax law as key to drug battle

By lan Hamilton Fazev

Tax evasion should be included in all extradition treaties to help fight drug trafficking and money laundering, the United Nations agency for monitoring the narcotics trade says in a report today.

The Vienna-based International Narcotics Control Board be nearer their families. says it is essential to counter national drug cartels, and that most money laundering involves tax evasion.

But many countries exclude tax and fiscal offences from extradition treaties, and developing countries are particularly likely to forbid extradition for such offences.

The report says tax evasion is an important weapon against drug traffickers because of the way the illegal drug trade - worth an estimated \$500bn a year - has

become global. "The organisers of a criminal network may be based in one country, the producers in a second, the distributors in a

third and the proceeds may be laundered in a fourth," the board points out.

co-operate against drug trafficking. "Many states refuse to

extradite their own nationals," it says. "The time has come to consider alternatives to such blank refusals."

One possibility is that people extradited for trial would be returned to their own country to serve any sentence, helping poor countries which cannot afford maximum-security prisons and allowing prisoners to

The report does not consider money laundering more effect the issue of extradition from a the death penalty to one which does. Some countries, such as the Netherlands, never allow their nationals to be extradited

in such circumstances. The board says most police forces do not have the resources and skills to do more than arrest street sellers and drug users, "leaving intact the structure of the production and distribution chain and. above all, the management.

"A more strategic approach to tackling drug trafficking is eded to reduce supply and free the stretched resources of national criminal justice

systems," the report says.
"The aim should be to disrupt the operations of entire drug gangs and eventually put

them out of business. The UN agency says governments could do more to dictions can be strengthened and safe havens gradually

eliminated." the board adds.

FT WEATHER GUIDE

ber in Brussels

re-elects president as violence escalates

By Kevin Done in London

Mr Sali Berisha, Albania's embattled president, was elected unopposed for a second five-year term by parliament yesterday, as the authorities enforced a state of emergency in an attempt to quell weeks of civil unrest.

The interior ministry said "armed rebels" would be shot if they did not surrender weapons by yesterday afternoon. But demostrators in Vlorë, Saranda and Gjirokastra, the southern towns where violence escalated over the weekend, were back on the streets yes-

terday evening. Greek television showed chaotic scenes of protestors in Saranda firing pistols and automatic weapons into the air and shouting for President Berisha to resign. Children were shown brandishing grenades outside looted shops and a burned-out police station.

The television showed pro-

testors, who had seized control of an Albanian naval base outside the town, aboard a ship. They were planning to sail several patrol boats to the Greek island of Corfu to keep them out of the hands of the Alba-

nian military.
"It's a popular rebellion and there is no sign at the moment of the police or military coming to intervene," said Mr Thomas Mitsiou, a member of the Albanian parliament for the Union of Human Rights, the ethnic Greek political party.

The caretaker government introduced other measures, including controls and an extension to military service.

The state of emergency was declared on Sunday night in an attempt to halt protests against the collapse of a string of fraudulent pyramid finance schemes in which many Albanians have lost their life

Mr Berisha was re-elected by 113 votes to one with four abstentions. His ruling rightwing Democratic party won in last year's general election, which was widely condemned for ballot rigging, intimidation and violence. The main opposition Socialist party is boycott-

ing parliament. The European Commission appealed to the opposition and government to show restraint. Greece and Italy yesterday moved to tighten border controls amid rising anxiety about an exodus of illegal emigrants. Italian marines mounted a heliconter mission to evacuate 35 foreign nationals trapped in

Hope in Athens, Robert Graham in Rome and Lionel Bar-

Curse of pyramids, Page 15

THE LEX COLUMN

AT&T's alarm call

cations what International Business Machines was to computers: a lum-bering glant with little idea of how to respond to numbler competitors. Despite endless rounds of reorganisation, it has never managed to root out its bureaucratic culture. Now Mr John Walter, AT&T's new president, is embarking on yet another restructuring. He is also investing \$8bn-\$9bn this year (compared with \$6.8bn last year) to catch up faster rivals at home and abroad. Not only has British Telecommunications stolen a march in international markets; the likes of WorldCom and MCI have attacked the local US market – which is just opening_up - more aggressively. Meanwhile, AT&T seems at a loss over how to stem the decline of market share in its core long-distance market – and that is before competition from the local Baby Bells has been fully

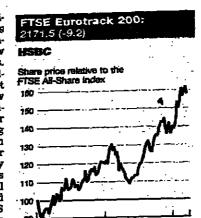
omleashed. All this makes for a pretty depressing picture in the short term hence yesterday's profit warning. The bigger worry is that AT&T may have missed the boat and that the extra billions will be money over-board. Investors must be hoping Mr Walter can resuscitate AT&T's share price the way Mr Louis Gerstner revived IBM's. But it would be

Thailand

premature to bet on it.

Thailand's banking sector has been an accident waiting to happen. Thailand is a sick tiger and the almost 50 per cent decline in its stock market since January 1996 suggests the extent of its malaise. The banking sector has been at the heart of the problems, lending overzealously. Poor loans have traditionally been bailed out by asset inflation, but not this time. And problems have been exacerbated by the government's struggle to protect the currency, resulting in a sharp increase in short-term interest rates. So it is hardly surprising that the government is belatedly trying to encourage the strong

banks to rescue the weak. It is tempting to suggest that a dose of corporate Darwinism would be best. After all, many finance houses have been brought to their knees by incompetent or possibly even corrupt management, so why stronger banks bail them out? The



cash out of the banking system but would also spark a run on the Thai baht. Given the extent to which industry has funded Thai assets with dollar loans, a weaker baht

would spark even greater problems. Nonetheless, the government's move to suspend trading in all banking stocks looks about as astute as the Hong Kong stock exchange's similar attempt to hold back the October 1987 crash. It not only reminds investors of the risks of emerging markets but also shows just how concerned the government is about the banking system. Banks and finance houses generate around half the stock market's profits, so investors are in for a rough ride.

HSBC

HSBC's strategy of becoming the holding company for a global bank may be beginning to work. Shareholders have gained little benefit from its moves to dilute Asian earnings through acquiring UK and US banks, and its shares trade at a conglomerate-style discount to the sum of its parts. However, HSBC's size has enabled it to run smaller banks which would otherwise be too small to be truly competitive. Midland has substantially improved its cost/income ratio and taken market share, despite being the relative minnow among the big four British banks. Marine Midland in the US has similarly become a very lowcost bank, benefiting from HSBC's bulk through cheaper technology and capital.

retains too much fat is its balance problem is that a policy of letting sheet. The management argues that them go bust would not only result in Asian markets where customers in depositors stampeding to take have no deposit insurance, banks

group could hand back fabn shareholders and have a tier I car tal ratio higher than most ti banks. However, the group wou probably love to make acquisition such as beefing up its fund mener ment business. It clearly finds on rent prices unpalatable, but ti management will be tempted to a back and wait for the proverb

A DUY'S

golden opportunity.
Nonetheless, the group's Asia growth prospects contrast with i. more pedestrian UK banking sect rating, meaning the shares runa attractive. And with all that be ance sheet slack, there is scope f a more generous dividend payou

JSkyB

No souner has Mr Rupert Mi doch put his US pay-television ve ture on to a firmer footing than b Japanese plans are wobbling. Beb forced to sell their stake in ? Asahi is a blow for Mr Murdoct News Corporation and Softbank, entrepreneurial local partne Though they they have managed sell for the price they original paid, News Corp will presumably sitting on a dollar loss given t yen's recent depreciation. Moreon the episode demonstrates the dif culty of breaking into Japane broadcasting: simply barging does not work, as Mr Murdoch h also found to his cost in China,

That said, the move could tu out to be a case of reculer_po mieux sauter. The main prize JSkyB. News Corp's and Softbank planned satellite platform. The or inal swoop on TV Asabi. a coow tional broadcaster, was designed. help generate Japanese-langua programmes for the platform. W Asahi not prepared to play ball, it, sensible to sell the stake and try cut a friendly deal. There is still deal, only vague pretensions friendship. Moreover, JSkyB suffi from being a late entrant in a thr cornered fight. Still, the market far from sewn up; and, if JSk manages to clinch Sony as an pa ner, it will look stronger.

The saga illustrates vet aga that multi-channel TV is theory cian's dream but a practitione nightmare. But that, of course, one reason why News Corp ought have a competitive advantage: has much experience confo precisely such problems.

> Additional Lex com on Avis, Page



Just launching in Europe is John Crane's unique Universal Cartidge scal. It's a chameleon which adopts three different 🔒 guises - O-ring, elastomer bellows or metal bellows seal - at the change of a seal head. This interchangeability enables chemic petroleum and pharmaceutical plants to stock just one scal family.

The first cannidge seal to fit both American and European standard pumps, the Universal Cartridge simplifies maintenance, increa 📞 efficiency and reduces costs. It raced from the drawing board via intensive testing and development to wow USA customers in it 15 months. By mid-1997 John Crane customers worldwide will know that the Universal Cartridge offers a change for the bette John Crane is one of Ti Group's three specialised engineering businesses, the others being Bundy and Downy.

Each one is a technological and market leader in its field. Together, their specialist skills enable TI Group to get the critical answers right for its customers. Worldwide



Europe today

Rain will occur along a front stretching from Ireland across Belgium and southern Germany to

rain, while the south-east will have a mixture of sun and cloud. The northern Benefux will have some sun and northern Germany will be very sunny. Poland and the Baltic states will have sunny periods. Southern Europe and the Mediterranean will be sunny, although the eastern Mediterranean will have a shower or two, as a

disturbance lingers. some sunny periods. Ukraine and Russia will have sunny periods.

Five-day forecast

High pressure will provide most of north-western Europe with fair conditions over the next few days, produce some cloud,

The western Mediterranean will have ample sun, while a new disturbance will develop in the east.

Lufthansa

No global airline has a younger fleet.

eur 20 drzu 118 sun 17 sun 17 sun 29 sun 20 fair 20 fair 20 fair 20 fair 25 sun 25 sun 22 fair 22 sun 13 sun 11 sun 19 sun 19

sun 21 fair 18 sun 18 rein 11 fair 31 fair 32 sun 28 sun 28 sun 27 snow -4 drazi 11 fair 29 fair 18 sun 17 fair 9 Majorca
Maita
Maita
Mantia
Mandia
Melbouma
Mexico City
Miarri
Milari
Milari
Mossowi
Munich
Nainobi
Napias
Nassau
New York
Nicosia
Osio
Paras
Perth

Rangoon
Reykjavik
Rio
Rome
S. Fraco
Secul
Singapore
Stockholm
Strasbourg
Sydney
Trangler
Tal Aviv
Tokyo
Toronto
Vancouvar
Venice
Venra
Wersaw
Washington
Willington cloudy 15 shower 26 fair 19

fair 13 fair 21

sun 3? rein 6 thund 28 fair 19 sun 18 fair 3 fair 31

WORLD LEADERSHIP IN SPECIALISED ENGINEERING

mation about the TI Group, contact the Department of Public Affairs, TI Group pk. Lambourn Court, Abungdon, Own CN14 IUR, Engla

 $\varphi \not= \gamma_{i_1}$

135.5

₽₹+ 10 .

49 -

31.5

1 2

THE FINANCIAL TIMES LIMITED 1997

Tuesday March 4 1997

"Without effort, a great vision will remain just an unfulfilled dream."

17

KROTHE

ABN Amro buys US futures trader

Netherlands-based ABN Appro bank extended its reach into US capital markets when its US subsidiary, ABN Amro Chicago Corporation, acquired Citicorp's futures trading business.

Salomon moves senior post to Los Salomon Brothers has appointed a new Londonbased chief economist, Mr Kermit "Kim" Schoenholz, the first time the senior research job at the investment bank has not been based in New York, Page 18

Avenor revises bid for Re Avenor, one of North America's top integrated forest products groups, bowed to pressure from shareholders by radically revising the bid it made last December for Repap Emergrises, a big timber, pulp and coated paper producer. Page 19

Profits fall sparks cuts at Aga Aga, the Swedish industrial gas supplier, posted a 17 per cent fall in profits before capital gains and announced extensive restructuring moves to cut costs and improve earnings. Page 20

Santander plans 3-for-1 share split Banco Santander, Spain's leading banking group, said it planned to reduce the nominal value of its shares from Pta750 to Pta250 (\$1.5). tripling the number that it trades on Madrid's Bolsa to 479m. Page 22

Big groups face Pallas costa A number of leading French companies may be required in their role as shareholder to make good substantial debts incurred by Comiper, the holding company, and Pallas Stern, its banking subsidiary, which were liquidated last Friday. Page 22

Forward chief gains £48m from sale. Mr Ray Chamberlain, executive chairman of Forward Group, the printed circuit board company which issued a profits warning in November, will receive £47.7m as part of Forward's acceptance of a £129m cash offer from a US leveraged buy-out specialist. Page 28

Companies in this issue

ABN AMRO	te Générale des Esux
ADT	18: Guinnese Mahon
TATA	1 HSBC 16,1
Acer	(a Hambros
Adolfo Domínguez :	22 Hays
	5 1BM
Applied Magnetics	g Interim Services
Asahi Shinbun	Littlewoode
Asheeti 3	Lyonnaise des Eaux
Aussie Home Loans '2	M Mac
Avenor	Michael Page
STR	Migdal
-	NatiWest
	8 New Holland
-Somberdier	News Corp
British Airways 2	Norfolk Southern
-2/Glah Steel	Pallas Stem
CGP	PepeiCo
CSX	Peridna Fooda
Cableurope 1	Prudential
	Read-Rite
Culleghan Asiabiblisa 1 Makulosa Arauco — 1	Repent Pacific
TANKS AND THE PROPERTY OF THE	Recoult .
	Repep
Gook Gole 19.	9 . SSC: Communications

23 쉳 18 23 22:1

SAC Communications Salomon Brothers

Sychev H'bour Casino 21 TerraBell Thomson Corporation 17. Transcar

24 LIS West

17 Western Resource

https://www.FT.com

Beischmung Gust ihrech Beischmung und Beisten Bend feitung und Schlien Bend prices aust vielkin Consposition prices Districtum unschnickt. Litt Foreign exchange Gilta prices Menaged funds service Money presents New Intl bond leases 36 Short-term int rates 34 (15 interest rates

<u> </u>	- 173		<u> </u>		
Chic	f price	cha	nges yes	terda	ν
	6	_			-
			NAME OF		
	- 1 / M	. · `	Man	···	. •
	33	4 0.70	Chierman	207 +	2
		+ 2.50	Lyctin dan Envi	595 +	13 :
MAP		• 17	Contraction	226 +	ñ
	540	37	System Palis		
Allendii James	- 41	7.83	AUGU	767. –	77 ·
The Late		Ÿ),OU	CHAIC Made		12.50
Possobal	- 5 M		Records		6.90
MAR AN		• •	TOICYO (Yea)		- 500
Noos-		٠	Shirt trees		
LESK.	en Li	. 3K	Japane Bewind	252	26
	- 1987E		March	/AB +	21
Commerce			fella.		
Dynamich		+ (%	Chan Tal 4 Dra	718 -	33
Market .	384	r, - 3W	Calga Sac	923 -	25
Palite				T 200 1	76
MAT		- 3 5	10/almi (Beć - · ·	7成 -	ä
Oyeupic Pic		- 2	Nagara :		44
rotesot	-		Home Kend	Section 1	
Near		·	Titres		
Country Co			COL Hotel	447 +	. 0.10
Forward To		► \$1 -	Charles Mong	7475.÷	
Page (AL)	- 530	⊬ \$5 <u>.</u>	Hendersch Land	· 37.700 ÷	
25.7	52 **	: 10%	Reity Day A	20 +	· 615
ر المرس بطر	# 25		- Palita		
	• •		Max Pacific	10.70 -	0.15
.#XX EM € 6		- \$2		\$20 -	0,15
TORGET	6- 104	4	Friencek &		
Mana	N = 1	·	Silver.	1.2	
Secret life		4.35		· 1125 +	1.00
Continue N				17.70	1.50
France Are del	Pr 1880 .		· Highest State .	47 30 -	. 425

25.50 - 2.75 Heds & Made

Gazprom to back foreign shares

Russian gas monopoly moves to calm investors as price plummets

plummeted over the last week. The company said it would keep the distinction between foreign and domestic shares following conflicting signals which have unsettled international investors barred from buying cheaper stock in the domestic market.

The foreign share price, which had been about four its equity with international

times higher than stock avail- investors. The company, which be allowed to buy in the domestic market. The confusion threatened to jeopardise future share issues aimed at

the separation of the domestic and foreign markets as it is legally required to do," Mr Leonid Griaznov, a top Gazprom strategist, said yester-

able to Russians, dived last is legally bound to sell a maxiwhen Gazprom mum 9 per cent of its equity to suggested that outsiders might foreigners, chose to bundle its stock into American depository shares selling at four times the domestic price. This created an opportunity

for arbitrage - the exploitation of the price differential in the markets. Although foreigners were barred from owning the domestic shares, some

Moscow-based investment banks have used grey areas in the law to buy these shares on behalf of foreign clients.

publicly quashed the most

open bid to give foreign investors access to the domestic ern advisers insisted it would

This was when Hong Kongbased Regent Pacific sought to establish a fund that would allow foreigners to invest in the domestic shares.

The waters were again muddied last week when Mr Rem Viakherev, Gazprom chairman, said foreigners owning companies registered in Russia could buy domestic shares through them. His remarks sent the ADS price down from a high of more than \$20 to below \$17. The domestic share

But Gazprom and its westreinforce a separation between the two markets.

"Gazprom has made clear to us that it remains determined to keep the foreign and domestic markets separate," said Mr Andrew Balgarnie. head of the Moscow representative office for Morgan Stanley, which was the bookrunner for Gazprom's ADS offering last October.

Mr Griaznov said Russian law, the Gazprom charter and the way in which Gazprom was privatised all bound the company to maintain the dis-

to take 30% stake in SA Telkom

in Johannesburg and Nicholas Denton in Londor

A consortium led by SBC Communications of the US is poised to take a 30 per cent stake in Telkom, South Africa's national telecoms operator, after a last-minute withdrawal by the German operator Deutsche Telekom.

SBC Communications, the US regional operator, and its partner Telekom Malaysia were named yesterday after the group led by Telekom failed to submit an offer by last Friday's deadline. The SBC consortium is understood

to have offered about \$1.35bn. The sale is the biggest privatisation in sub-Saharan Africa to date, and the lynchpin of government plans to create "a South Africa hub" for Africa's telecommunications traffic.

Mr Jay Naidoo, telecommunications minister, said the deal would be a catalyst for the roll-out of 4m new telephone lines within five years.

Although a final announcement is not expected until April, the government yesterday confirmed it would pursue negotiations with SBC and Telekom Malaysia. Mr Naidoo expects the deal to net R5-6bn (\$1.1bn-\$1.3bn).

In an effort to guarantee profits for the foreign shareholder, Mr Naidoo has offered to extend Telkom's monopoly of public exchange telephony for up to five years.

The monopoly was an incentive for Telkom to redress the legacy of apartheid telecommunications policy, he said. There is only one telephone line per 100 blacks in South

Africa. The most important criteria for selecting a foreign partner would be its ability to 'achieve the roll-out targets, provide new technology and skills, and improve productivity. The rest of the issues are negotiable," said Mr Naidoo.

Telkom is currently servicing debts of R9bn, which absorb half its annual profits. Deutsche Telekom had been the favourite to win but on February 18 its supervisory board meeting dropped mangement's proposed bid from the agenda. Telekom denied yesterday that Mr Ron Sommer, the company's chairman,

By Chrystia Freeland In Moscow

Gazprom, the Russian natural gas monopoly, moved yesterday to reassure nervous international investors that it would defend the value of its foreign shares whose price has

Financial

group plans

on internal

investment

By George Graham

huginesses

levels.

to concentrate

HSBC Holdings, the giant

financial group that includes

Hongkong Bank in Asia and

Midland Bank in the UK.

expects to pass up most acqui-

sitions over the coming year in

favour of investing in its own

Mr John Bond, group chief

executive, said HSBC was keen

to expand in areas such as per-

sonal banking and insurance,

but found it hard to justify

This group is unabashedly

acquisitions at current price

about growth. Our financial strength gives us the ability to

grow by acquisition but we are

very disciplined and selective,

he said, as HSBC reported a 23

per cent rise in pre-tax profits

Although the results were

close to the market consensus,

and several analysts subse-

quently upgraded forecasts for

to £4.52bm (\$7.36bn).

cent to 1552p.

foreign investors. "The company will maintain

Last October, Gazorom opted for the dual market policy when it placed 1.15 per cent of

Two weeks ago, Gazprom price climbed from 52 cents to

HSBC to take break from acquisitions

Group chief executive John Bond: "This group is unabashedly about growth but we are very disciplined and selective'

as US investment banking or this year, HSBC shares, which have outperformed the market in recent weeks, fell by 1.9 per HSBC has made a series of acquisitions in its far-flung

empire over the last year, including some small US retail banks, but has found prices for larger deals excessive

UK life assurance were also some of the prices are high and we estimate that our cost of capital is in the range of 12 to 15 per cent, so we have got to be very conscious of dilution." Mr Bond warned.

which remains HSBC's biggest unit, reported a 15 per cent Prices in other sectors such

increase in pre-tax profits to HK\$26.99bn. That includes a share of profits of HK\$9.7bn reported by Hang Seng Bank, of which HongkongBank owns 61.5 per cent.

That came despite an unaccustomed jump in provisions for bad and doubtful debts in The HongkongBank group, Hong Kong. At HongKong-Bank, provisions more than

doubled to HK\$1.4bn while at

Hang Seng Bank the total charge taken leapt to HK\$715m from HK\$181m in 1995. Midland Bank in the UK produced a 24 per cent increase in

pre-tax profits to £1.27bn, while HSBC Americas, including Marine Midland Bank in New York, reported a profit of \$551m before tax.

With Hong Kong now contributing less than 40 per cent of

pretax profits, HSBC has now diversified dramatically. Mr Bond said the group would be happy when Hong Kong reverts to Chinese rule this year because it would

"remove an uncertainty in the eyes of certain western commentators - an uncertainty which we don't share."

Lex, Page 16; Results, Page 23 | had been overruled.

Sale of GAN businesses may be launched before summer

By Andrew Jack in Paris

The privatisation of the principal operating businesses of GAN, the troubled stateowned French insurance company, could be launched before the summer, officials close to the discussions indicated yesterday.

Formal preparations for the sale of UIC, the property lending arm, as well as GAN Assurances, its insurance arm. and CIC, the group's regional banking network, could begin in the next three months. This would help meet the

government's objective of privatisation before the 1998 elections in France, and strengthen its campaign to win approval from the European Commission for a restructuring plan it unveiled last week to provide the company with FFr20bn (\$3.5bn) of state aid. GAN said last Thursday that extra property provisions, partly in an effort to write down its loans to current mar-

This was another indication that there were preparations for a rapid sale of all or parts of UIC, the property lender which was previously controlled directly by CIC.

It emerged yesterday that GAN is pushing CIC to develop a range of non-life insurance products to be sold in its branches alongside the existing life assurance contracts. Under current plans, household and car insurance should be available from next year.

The move is designed to increase the economic links between GAN and CIC, which could be subject to a rapid sell-off separate from its insurance parent, even though an attempt to do so late last year was halted by the government. GAN executives believe that

after the sell-off, and the obligation should be maintained that the buyer retains the "bancassurance" between the two businesses, with the 11 regional banks in the CIC network selling GAN's

They argue that to develop new non-life products would help make the link with GAN more attractive to potential purchasers. But some possible acquirers of CIC - such as Banque Nationale de Paris. which bid for the bank last year - would prefer no obliga-tion to sell GAN contracts.

Officials hope that they will be able to protect GAN from demands from the European Commission to sell off the group's foreign operations as a condition for approval of the FFr20bn aid package. They argue that GAN's presence is not large enough to present real competitive distortions.

it was making FFr14bn in the insurer should retain a Conrail bid battle nears end

By Richard Tomicins In New York

Share prices of the three big eastern US railways rose sharply in early trading yesterday on speculation that the companies were close to resolving a bid battle that has

rambled on since last October. Under the proposed solution, Conrail, the bid target, would be bought by CSX, the friendly bidder. But CSX would break up Conrail and sell about half the company's routes to Norfolk Southern, the hostile bidder. This would represent a

way to CSX and keep it intact. The bid battle started last vear with an \$8.4bn agreed takeover by CSX. It eventually produced a cash-and-share offer of \$9.4bn from CSX and an all-cash offer of \$10.5bn from Norfolk Southern.

Conrail shareholders refused to approve the agreed takeover by CSX because Norfolk Southern's offer was higher. But Pennsylvania's tough anti-takeover laws pre-vented Norfolk Southern from proceeding with its bid resulting in a stalemate The Surface Transportation

Board, the federal regulatory

appears to have accepted the inevitability that a deal will have to be thrashed out. Analysts say the main remaining obstacle to a solution is Conrail's management. Mr Douglas Rockel, an analyst at Forman Selz, said Con-

rail was delaying the process because Mr David LeVan, the company's chairman and chief executive, did not want to see the company dismembered. Conrail said its board was holding a special meeting to consider a number of options.

In early trading, CSX was up \$3% at \$49%. Norfolk Southern was up \$2% at \$93%,

This announcement appears as a matter of record only.

£40,000,000 Management Buy-in/Buy-out

Structured, led and arranged by CVC Capital Partners Ltd

Equity provided by Funds managed by CVC

AMP Investments Australia Limited

AMP Investments Australia Limited

Monicare

Investigating accountants Arthur Andersen Legal advisers to institutions Dibb Lupton Alsop

Laughton Group Limited

Financial advisers to vendors Ernst & Young Legal advisers to vendors

Pinsent Curtis Legal advisers to management

January 1997

Wragge & Co



HUDSON HOUSE 8-10 TAVISTOCK STREET LONDON WCZE 7PP Tel 0171-420 4200

which has been on an acqui-

North American flagship.

Late last year it made its

biggest acquisition ever,

ABN Amro buys futures trader

ABN Amro, the Netherlands bank, has extended its reach into US capital markets by buying Citicorp's global futures trading business, throughABN Amro Chicago Corporation, its US subsid-

Citicorp's futures business had been on the market since last September, when the bank decided to concentrate on its core banking

small transaction terms – the deal

\$20m - the Citicorp purchase tion's goal to havil give a sizeable boost to futures concern. ABN Amro's futures

The Dutch bank is the second-largest foreign bank operating in the US, with North American assets of

It moved into US investment banking in January, with the acquisition of Chicago Corporation, a regional investment banker with domestic futures trading and clearing capabilities.

The addition of Citicorp's futures business will speed "It will give us an office in rienced people," he said.

Singapore, and a London office with about 50 people, as well as capabilities to clear Liffe [the London Inter-national Futures and Options Exchange)," said Mr James Gary, head of the group's futures business.

Citicorp has agreed to send all its proprietary futures trading business through the new ABN Amro unit, Mr Gary said.

buying Standard Federal in Michigan for \$1.9bn. "Our parent company has told us to create and manage

tion's goal to be a global and this is an excellent way market course to attract to expand and pick up expedeposits and write loans in the Midwest, ABN Armo is The move into global looking for greater exposure in US capital markets. futures dealing is a diversifi-

Executives say it is concation for the Dutch bank. tinuing to shop for an acquisition march through the sition that would put it into Midwest during the last five the asset management business in the US, and it may It has added more than also grow or acquire an over half-a-dozen thrifts to LaSalle Bank in Chicago, its the counter derivatives deal-

ing operation. These are all areas where our parent company has told us to grow," said Mr Perry Taylor, executive vice president of ABN Amro Chicago

Salomon moves a top job to London

By Tracy Comigan in New York

Salomon Brothers has appointed a new Londonased chief economist, Mr Kermit "Kim" Schoenholz. It is the first time that the senior research job at the US investment bank has not been based in New

Mr Schoenholz replaces Mr John Lipsky, who left to join Chase Manhattan in January as chief economist

and director of research. Mr Schoenholz, a former academic, joined Salomon in 1986 and has worked for the firm in New York, Tokyo

and Londo The appointment highlights a growing trend among US investment

Once highly-centralised, they now run some of their global businesses out of London, rather than New

York. This is particularly useful in jobs where it is important to talk to traders in London, Tokyo and New York.

London's position between the Japanese and US trading days facilitates such communication.

"Kim's experience in New York, London and Tokyo will provide the ideal perspective as our clients deal with the challenges of a dynamic economic and political environment," said Mr Deryck Maughan, chairman and chief executive officer at Salomon Brothers.

Salomon's global head of its important proprietary trading business, Mr Shigeru Myojin, is already based in London.

At Goldman Sachs, two senior research posts ~ those of chief international economist and chief currency economist - are held by Mr Gavyn Davies and Mr Jim O'Neill, respectively. both of whom are based in

J. P. Morgan has two global business heads in London - head of credit and head of equity derivatives. "In today's global mar kets, we find it just as easy to head groups from London as from New York,

London, Tokyo and Hong Kong, the firm said.

AMERICAS NEWS DIGEST

Western Resources amends ADT offer

Western Resources, the US power company, increased by 33 per cent the cash portion of its offer to acquire home security group ADT, but the total value of the offer remains \$22.50 a share. Western Resources also said it could realise about \$450m in net proceeds from the said of ADT's car auction business after closing the acquisition Western Resources, which is the largest shareholder in ADT, is pursuing a \$2.8bn hostile takeover of ADT. Although the cash portion of Western Resources' offer rose to \$10 a share from \$7.50 a share, ADT shareholders would now receive \$12.50 in Western Resources comm

stock for each ADT share, rather than \$15 a share in Western Resources stock under the previous offer. Western Resources shares were \$30% in early trading, up \$% from Friday's close. AP-DV. Konso

Thomson names new chief

Thomson Corporation, the Canadian-controlled media and travel group, has named Mr Richard Harrington to take over as chief executive from long-serving Mr Michael Brown. The move coincides with a rearrangement of duties among various senior lieutenants of Mr Ken Thomson, whose family owns 72 per cent of Thomson Corp. Mr Thomson, son of the late Lord Thomson of Fleet former proprietor of The Times, takes little active role in his companies' day-to-day operations.

Mr Brown, who has been chief executive since 1965 and turns 62 in May, was named deputy chairman of Thomson, succeeding Mr John Tory, 66, who is Mr Thomson's closest adviser. Mr Brown said he planned to devote about two days a week to Thomson business, but would take a more active interest in other Thomson-controlled companies, such as Hudson's Bay.

Canada's biggest retailer, and Markborough Properties. Mr Harrington, 50, will initially be chief operating officer, but is due to become president and chief executive

by the beginning of 1998. Thomson shares, which have risen strongly in the past year, gained 25 cents to C\$28.40 in early trading in Bernard Simon, Toronto Toronto yesterday.

Read-Rite rejects bid

Read-Rite, a California manufacturer of computer disk drive components, yesterday said its board had unanimously rejected a hostile takeover bid from rival Applied Magnetics. Remaining an independent company offered the best opportunity for Read-Rite shareholders. employees and customers, said Mr Cyril Yansoutil, chairman and chief executive.

Since the stock-swap bid was launched a week ago, shares of Applied Magnetics have fallen sharply, from a pre-bid price of \$55% to a low of \$37% on Friday, reducing the value of the proposed deal by about 30 per cent to about \$1.26bn. However, they picked up yesterday, gaining \$3% to trade at \$41% in mid session. Read-Rite was up 🗱 at \$31%. Lousie Kehoe, San Francisc

Tenneco plans buv-back

Tenneco, the US packaging and automotive parts group, said it would repurchase about 5 per cent of its outstanding shares in a buy-back programme valued at -\$340m at today's market prices. The company said it would repurchase up to 8.5m shares. Tenneco is in the midst of five-year restructuring, and has already been aggressively repurchasing its shares. In 1995 and 1996, Tenneco repurchased about \$750m of its stock. Laurie Morse, Chicago

Celulosa Arauco disappoints

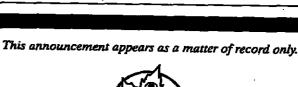
Celulosa Arauco, the wholly-owned forestry subsidiary of Copec, Chile's biggest private company, posted disappointing end-year results on Monday, with net earnings of 41hn pesos (\$99m), down by 70 per cent on last year's 137bn pesos. Revenues were also down sharply, by

35 per cent, to 179bn pesos from 274bn pesos. Earnings were some 10 per cent lower than expected. This was after factoring in the effect on the year-on-year results of the drop in international wood pulp prices, CelArauco's main product. In 1995, prices were unusually high, averaging \$310 a tonne over the year. During 1996, by contrast, the price was almost half that, closer to \$455 a tonne. The company produced 898,000 tonnes of pulp in 1995. Late last year it paid \$270m for Alta Parana, a pulp plant and forestry interest in Argentina, which increased its installed capacity to about 1.1m tonnes.

Comments and press releases about international

international companies@ft.com

companies coverage can be sent by e-mail to



Société de Développement du Coton

Сатегооп

FRF 200,000,000

COTTON PRE-EXPORT FACILITY

Arranger ING Bank

Lenders African Export-Import Bank (Afreximbank) Banque Belgolaise Banque Française du Commerce Extérieur Crédit Lyonnais Agence Internationale Générale de Banque ING Bank Standard Chartered Bank Cameroon

> Agent ING Bank



Having steered a middlewas estimated at less than ABN Amro Chicago Corpora- a global futures business. Acer Computec seeks bigger network

Mexican computer group aims to repeat its home success across South America

years, a locally-owned recently-listed personal computer company has come from nowhere to become Mexico's best-known and top-selling brand.

Acer Computec Latin America, which assembles made by Acer, the Taiwanese company, has risen by relentlessly exploiting a niche that bigger computer groups have passed by individuals and small businesses in Latin America.

Today, its stock is one of the few direct exposures to the \$5bn Latin American PC

Now the company is turning its attention to the rest of Latin America, including finalising a \$30m acquisition in Brazil. Mr Sebastien Chatel, an

analyst at Caspian Securities in Mexico City, says: "In Mexico, their best days have already been and gone. Their future growth is clearly in South America." Acer's success in the late

price-cutting. By 1995 it was Mexico's leading brand, with one-third of the market, and assembly plant in Mexico

The company also expan- to penetrating the corporate ded throughout Spanish- market. speaking America.

n little more than five halved the Mexican com- a Hewlett-Packard, there is puter market in 1995. Only little we can do," he adds. this year is the market expected to recover to the

levels of 1994. Last July, the company stock, since when its shares have risen 40 per cent, and distributes computers although recently declining, to give a market capitalisa-

tion of more than \$358m. Sales in 1996 rose 21 per cent in peso terms, to 3.47bn pesos (\$435m), and 37 per cent in dollar terms. Operating profits of 240m pesos were 40 per cent up on 1995

in peso terms. But Acer's attempts to move beyond home users and small businesses in Mexico have not all prospered. The company's market share in Mexico dipped 4 percentage points to 27 per cent in the third quarter of

last year. Government purchases of rival brands affected the figures. In the past, sales to state entities were a foundation of Acer's success.

"When you have 28-30 per 1980s came from relentless cent of a market, the only thing you can do is grow at the rhythm of that market." says a mildly frustrated Mr employed 130 workers at its Juan Manuel Rojas, Acer Computec chief executive. There are strong barriers

"If a multinational's global Sales increased even after headquarters says its

Mr Rojas is planning, however, to continue expansion throughout Latin America. For the region as a whole, floated 23 per cent of its the company has 11.5 per cent of the market. Mexico now accounts for only onethird of sales.

Following a recent agree ment by Acer to buy Texas Instruments' laptop computer division, Acer Computec's market share in laptops is set to increase throughout Latin America.

ost of all. it is Brazil that interests 🗘 the group. In January, Acer Computec agreed to buy ACBr, the Taiwan group's Brazilian assembler and distributor, for an estimated \$25m-\$30m. The transaction should be finalised by the end of this month.

Great hopes ride on the acquisition. Brazil accounts for 40 per cent of the Latin American market, yet Acer's market share there is only 4.4 per cent.

Formidable import barriers and the easy availability of cheap black-market components mean that most PCs sold in the country are clones - computers whose circuits are slapped together from various sources before they are sold, under no par-

ticular label. The international comthe peso devaluation almost operations here have to buy puter manufacturers are also stores and computer shops,



Juan Manuel Rojas: planning to continue expansion

well established in Brazil. Although Acer Computec is looking to South America, its position in Mexico will be hard to replicate.

enjoy pride of place. Computers made by bigger manufacturers are relegated to In Mexico's department

Daniel Dombey

it is still Acer models that

US-led

J.P. Morgan said. As head of global economic and market analysis. Mr Schoenholz will be responsible for directing Salomon's team of economists based in New York,

As members of his team, Mr Robert DiClemente will assume responsibility for US economic research, while Mr Robert Feldman will continue as head of Japanese economic research and Mr Desmond Lachman will run global emerging mar-kets research out of New

Charterhouse Group International, Inc.

is pleased to announce a series of promotions and appointments resulting in the following organization:

> Merril M. Halpern Chairman and Chief Executive Officer

A. Lawrence Fagan President and Chief Operating Officer

Thomas C. Dircks

Richard T. Henshaw III Managing Director

Managing Director Wai Wah Chin

Senior Vice President

David C. Stoller

Cheri E. Lieberman

Vice President-Finance

Patricia Riley Merrick

Senior Vice President

Robert L. Berner III

Managing Director

Jay M. Gates

Vice President

Phyllis Haberman

Senior Vice President

Lori Livers Vice President

Advising Charterhouse as Strategic Partners will be:

Paul H. Mullan

Andrew L. Farkas



535 Madison Avenue New York, NY 10022 (212) 421-3125

Cableuropa By Raymond Snoddy brought together by Callaghan Associates Interna-

and telecommunications group. Cableuropa has shares in cable companies with prosuch as Barcelona, San tander, Seville, Majorca and

to pursue a number of other cable licences about to be awarded in Spain, all of which will require significant new capital.
The US-led consortium brings together GE Capital,

banking group, in addition to Callaghan Associates. Callaghan Associates is a new company founded by Mr Richard Callaghan, former

would be the company's first big move, although a number of other deals are believed to be under negotia-

- which control 32.5 per cent of the capital.

The US consortium would however, he in a position to help fund the large capital sums needed to construct cable networks across Spain. Talks between Cableuropa

and other potential partners

have not made much progress, it is believed. Apart from the cost of constructing cable networks, bidders for cable licences have to submit a deposit of

Ptalbn (\$6.97m).

group eyes stake in

A group of US companies tional is negotiating to buy a 30 per cent stake in Cableuropa, the large Spanish cable

visional licences in areas Valencia. The company also intends

US West, the regional tele-phone company, Bank of America and UBS, the Swiss

president of US West International, to finance, develop and acquire communications and media companies. The Cableuropa deal

However, reports from Spain suggest that the consortium's attempt to win a 30 per cent stake in Cableuropa is being opposed by a group of local electricity companies – Endesa, Union Fenosa and Hidrocantabrico

Spain is seen as an increasingly important market for the new media, and one which is attracting participants from the rest of Europe and North America.

COMPANIES AND FINANCE: THE AMERICAS

Resou Banking with a popular touch | PepsiCo secures \$8m

Brazil's Banco Excel invests in football and carnival to attract potential clients

octball and carnival are the secret to suc-L cess in Brazilian banking, believes Mr Ezequiel Nesser, chairman of Banco Excel Econômico and a scion of the Safra banking

18-9-1.00

ran .

to the same.

新 終 落 。

A

20-

2 2

West to a

والمراجعة والمتاثرة

XIs bid

Sec. 35

 $\Delta t = (1-\epsilon)T$

2. 187 - 27 - 10

1.5

0.5000

11:

 $e^{\frac{\pi}{2}\pi i e^{\frac{1}{2}(2\pi i)}}$

€ 834 834 ^m

ATT

rent in the

Řad 🚎

Last May Banco Excel, Mr Nasser's modest wholesale bank, acquired Banco Roonomico, a large retail bank that had been temporarily shut by the authorities because of a R\$8.5bn (US\$2.04bn) hole in its balance sheet.

To restore the reputation of Latin America into one bank and to turn it into one of the top five financial institutions in the country, Mr Nasser has begun to invest heavily in the two most pop-ular activities in Brazil. Behind this high-profile

plan is a race between Brazil's banks to sign up the millions of new clients that the country's economic reforms have delivered to the financial services market

The focal point of Mr Nasser's strategy is Corinthians football club. Excel Econômico will spend more than R\$30m over the next two years on the São Paulo team, which has an estimated 18m fans, the second-largest supporter base in Brazil.

Some of this money has bought star players such as Tulio, one of the country's best-known strikers. The bank's name is embiazoned on the team's shirts at a cost

of about R\$13m. However, there is more to this than just sponsorship. This advertising blitz has In televised matches, during a target. Government ecohalf-time, players such as Tulio and midfielder Marce linho appear in commercials into single-digit inflation, urging fans to place their have given a one-off boost to deposits with Excel. Off the field, the players are sales-

Mr Nasser displayed the same popular touch during lier this month, While Car-1111 - 1110 linhos Brown, a pop singer. was appearing in its TV adverts, the bank was spending about R\$350,000 sponsorval in Salvador, the north- asks. eastern city whose week-



Langhing all the way to the bank: Banco Excel Econômico's Ezequiel Nasser and singer Daniela Mercury enjoy carnival

long party rivals the more though. Economico's probnotorious Rio de Janeiro. This advertising blitz has nomic reforms, which have turned near-hyperinflation millions of lower income Brazilians. Mr Nasser estimates that 30m people are for the first time in a position to open a bank account. and is aiming for 3m-5m. Brazil's carnival holiday ear Even if the real figure is only half that, there is a vast suppressed demand for banking services.

"What better way of creatiela Mercury, another and the most popular team well-known singer, at carmi- in São Paulo?" Mr Nasser

He faces an uphill task, ucts in Brazil.

lems last year led to a fall in vative about taking care of when the latter set up the number of current account holders from 700,000 to 120,000. Profits in 1996 were just R\$23m and the return on equity a meagre 4.4 per cent. Fifty branches have been closed and 3,700 of 9,500 staff made redundant. Mr Nasser says the new bank has 900,000 customers

xcel Econômico is customers, such as a 12-day ing a strong bank than using grace period from interest on ing the private box of Dan- a popular sport like football overdrafts. It is about to set up a joint venture with an pany to sell insurance prod-

"Banks should be conserpeople's money," says Mr Nasser. "In all other matters they should be innovative and aggressive."

His eagerness to expand

quickly is a reflection of the polarisation in the Brazilian banking industry. Banks have been deprived of the easy profits they made in conditions of high inflation, which has exposed the weakness of many – the old Econoffering a range of omico included. The result incentives to attract has been a flight of customômico included. The result ers to stronger and larger private banks, such as Bradesco and Itaú.

The Syrian-born Mr Nasinternational insurance com- ser is a member of a family used to taking a gamble. In 1966 he started working for

his uncle. Mr Edmond Safra. Republic National Bank of New York. He moved to São Paulo and worked for another uncle, Joseph, at Banco Safra, now one of Brazil's largest banks. He left to set up Excel in 1990.

tral bank investigation, he does not lack detractors. Some say his bank will struggle to attract the institutional and corporate funds needed to secure its finances Others believe the bank's new customers could be poor credit-risks. At the

very least, it will be an

entertaining experiment in

Once the subject of a cen-

populist banking. Geoff Dyer assume Repap debt and Amend the offer to one against CS5 originally.

Argentine soccer deal

By Jimmy Burns

PepsiCo, the US soft drinks and snacks company, is limbering up for another poten- soft drinks supplier to sevtially bruising cola war after eral of the biggest football clinching the first commer- stadia in Argentina and curcial contract to sponsor the rently sponsors the national Argentine football league championship.

Under a \$8m, two-year deal reached with the Argentine Football Association, PepsiCo will have exclusive sponsorship of the championship - to be called Torneo Pepsi" - together with a package of TV and promotional rights during coverage of important

Details of the deal emerged yesterday as separately a worldwide announced sponsorship deal with the Mexican international 'superstar" goalkeeper,

Jorge Campos. The contract with one of the world's leading football nations gives PepsiCo a strategic footbold in its battle

with Coca Cola, which enjoys a greater market moved to strengthen its share in the region.

Coca Cola is the leading

PepsiCo's negotiations in Argentina have been conducted through the local football authorities' commercial agent, the IMG group of US sports entrepreneur Mr Mark McCormack. IMG has modelled the

PepsiCo contract on a similar sponsorship deal that it helped to negotiate between Carling and the football authorities in England. "I think that in Latin

American terms this is a coup for Pepsi," Mr Paul Smith, a senior IMG executive, said yesterday. The company has strug-

gled in Argentina recently because of the financial difficulties of its local bottling company, Buenos Aires

Last November, Peps Latin American operations by forming an alliance with Venezuela's largest food and drinks group, Empresas

That deal came three months after Pepsi's longtime bottler, the Cisceneros group, defected to Coca-Cola, markets where Pepsi had the edge on its competitor.

The latest round of the cola war has been fuelled by the Argentine football authorities' determination to attract significant foreign game as a way of boosting revenue to spend on develop

ing and keeping local talent. The quality of the Argentine championship has been undermined in recent years because of the defection of many leading players to clubs in Europe.

However, it continues to command large television audiences, both locally and

Avenor revises bid for Repap Enterprises

By Robert Gibbens in Montreal

Avenor, one of North America's leading forest products groups, yesterday bowed to pressure from shareholders by radically revising the bid it made last December for Repap Enterprises, a big timber, pulp

and coated paper producer. Avenor's original shareexchange bid was worth about C\$3.2bn (US\$2.34bn). including assumption of C\$2.5bn in Repap debt. The bid has now been reduced by almost C\$1bn, analysts initially estimated, making it and debenture issues and more palatable to Avenor

shareholders. Avenor had offered one of its own shares for every 4.25 Repap shares, and will would:

shares and convertible eight of Repap. debentures. It planned to hive off all the combined company's British Columbia assets into a new unit to be taken public or sold.

Mr Paul Gagne, president, said Avenor wanted to balance its heavy reliance on newsprint with highermargin coated papers that are used in magazines and other publications.

But institutional shareholders complained that said. "It will reduce the debt Avenor was assuming too much debt_risking excessive dilution through the equity over-valued Repap's British Columbia timber and pulp operations.

Yesterday, Avenor said it

issue C\$215m in new Avenor share of Avenor for every • Exclude Repap's BC operations carrying C\$620m liabilities from the bid. Drop the C\$215m equity

and debenture issues. holders on March 26, instead of March 12. "These changes will allow

Avenor to focus more rapidly on coated papers with higher margins and less volatile pricing," Mr Gagne level and share dilution " in effect, he said, the banks would own Repap's BC operations.

Mr George Petty, founder and 23 per cent owner of Repap, has accepted the new terms, which value Repap

500ex110 co disappo

Gardner Merchant

Sodexho

Gardner Merchant

Gardner Merchant

Sodexho

Sodexho

Merchant - ÁUSTRALIA ---



"We take care of people. That's why our alliances succeed".

An Alliance of Achievement

Contract Food and Management Services - Remote Site Management - Service Vouchers - Leisure Services

Highlights of Chairman Pierre Bellon's message to the Annual Meeting of Sodexho Shareholders on February 25, 1997.

I - IN FISCAL 1995/96, SODEXHO MAINTAINED GROWTH IN SALES, REPORTED GOOD EARNINGS AND EXCEEDED OBJECTIVES

FOR THE YEAR.		
	At Aug. 31, 1996	% Growth
consolidated sales (in millions of French francs)	24,961	36 % T
perating income (in millions of French trans)	1,124	50 esp
onsolidated net income less minority interests in militars of French francs)	685³°	_
turnings of shares in issue	7,371,190	5%
anungs per share (in French francs)	97.92	129 %
lamber of warts	13,512**	_
mpkyes	141,5189	

(1) Of which 24 percent due to the consolidation of Gerdinar Marchant over 12 months (2) Of which 33 percent due to the consolidation of Gartines Merchant over 12 months (3) Of which HSF 284 million in non-recurring items (4) including Parteria, accounted for by the equity method.

For 1996/97, I indicated at the last Board meeting that, based on currently available data and assuming constant exchange rates, consolidated net income before exceptional items less minority interest should reach FRF 500,000,000. ibis would represent growth of 25 percent, with earnings per share gaining 23 percent. Today, I can confirm this forecast.

Looking out to the medium-term, prospects are favorable for all of our businesses. Remote Site Management services, including those provided in French oversess departments and possessions, should account for around seven percent of consolidated operating income in 1996/97.

Service Vouchers have taken an increasingly important role in our earnings stream in recent years. In 1996/97, the business will contribute around 15 percent of consolidated operating income. Leisure Services include river craises and catering for some of the world's most

prestigicus evens. The river cruises business is expected to contribute three percent of consolidated operating income in 1996/97. Penitrentiary Institutions are managed primarily in the United States, but also in

France and Australia. Excluding C.C.A., which is not conscillated, this business should represent around one percent of consolidated 1996/97 operating income. Food and Management Services are our largest cusiness, which will account for around 90 percent of 1996/97 sales and 74 percent of operating income for the period. Our objective is to strengthen our position as global market leader.

UT - PATHS TO PROGRESS All our businesses enjoy strong potential for expansion, but to transform this potential into actual growth in sales and earnings, we are pursuing the paths to progress defined four years ago.

 Continuously improve client satisfaction through a commitment to quality and innovation. Develop our human capital, by :

Encouraging the emergence of entrepreneurs accord our employees.

 Focusing sharply on hiring, training and motivating our unit managers. - Enabling employees to share in the Group's financial performance.

Strengthen managerial efficiency, by:

- Enhancing and deepening strategic thinking. Using our size to lower the cost of purchased goods and services.

Developing integrated management information systems.

IV - OUR GROWTH PHILOSOPHY The philosophy

Our corporate mission is clear; to sausily our clients, to treet the expectations of our employees and shareholders, and to participate in the economic and social development of our host countries. Organic growth

To carry out this mission, we are committed to uncreasing our sales and earnings, because growth provides for greater job security, allians us to promote from within and creates more shareholder value. Our primary strategic focus is on internal growth, but in recent years we have supported this development with external acquisitions and alliances.

External growth (alliances and acquisitions)

Our international alliances On February 1, 1995, the allience with Gardner Merchant made us the world's largest contract food services group. On January 2, 1996, the alliance with Partenz, Sweden's leading management services company, strengthened our position in the Nordic countries. In February 1996, we acquired an equity interest in Cardapio, Brazil's third largest service voucher issuer, which the now manage. This gave us access to what is today the largest voucher market in the world.

Cur alliance philosophy

Socientro operates in service activities which, while not very capital intensive, are highly people-intensive, indeed, our growth is triven almost entirely by the skills and dedication of individual men and women. While it is possible to purchase factories, machines, processes and technology, you cannot buy the nitment, hearts and minds of a company's people.

This is why the experience gained by the Group in its external growth over the past five years has raught us to respect the restory, culture and personalities of the individuals that join our corporate community it is this philosophy that has guided our recent alliances and that will commune to guide us in the alliances to come. To symbolize the reality and success of our international alliances, see have changed the name of the Societho SA holding company to Societho Alliance. As part of the changeover, we have also designed a new logo with five stars. representing our presence on the fine main continents and the superior quality service provided by Sodewho's 141,000 encyloyees around the world.

V - DIVIDEND

The dividend for 1955/96 has been set at FLY 25,00 per share net of tax credit, representing accome of FRF 39.90 ps; share indicating tax credit. It will be paid as of March 5, 1997. Total payout amounts to FEF 192 millions, a 24 pascent increase from 1994/95. It corresponds to 48 percent of the consolidated net income before non-recurring items less manority interests reported for the year.

Our independence, our global reach, the quality of our teams, and our excellent financial position all provide us with important competitive advantages. The Group's outlook is favorable and in the years to come, we foresee good growth in sales and earnings, as well as a steady increase in earnings per share.



Profits fall spurs Aga shake-up

By Hugh Carnegy in Stockhokn

Aga, the Swedish industrial gas supplier, yesterday reported a 17 per cent fall in and announced extensive restructuring moves to cut from SKr6.31 to SKr5.11.

costs and improve earnings. Pre-tax profits rose from SKr2.7bn to SKr3.5bn (\$467m) thanks to a SKrl.8bn asset sales

But profits after regular at SKr107.50. financial items tumbled from SKr2.1bn. to SKr1.75bn

because of weak markets in at the beginning of the year, sions, supplying the manuper cent in 1996; and a Europe and Latin America was not satisfied with the facturing industry, the prorecular on equity of 15 per

swings. Net earnings per share profits before capital gains SKr11.68 - but when capital gains were stripped out fell The world's fifth largest

industrial gas group bad warned that profits would be down some 15 per cent and one-time gain from non-core its most-traded B share closed unchanged yesterday

Mr Lennart Selander, who took over as chief executive be based in three core divi- in 1999, compared with 12.2 Europe.

increase our market shares, but the sales trend was weak Each would have responsirose from SKrs.71 to and could not compensate bility for R&D and marketfor a substantial rise in ing in its own area. costs." he said.

> SKr13.3bn to SKr12.9bn. The new chief executive said he was scrapping Aga's geographically-oriented of this year, but would yield structure, with research and development and marketing Mr Selander said. support centralised.

Instead, operations would cent operating profit margin

and negative currency 1996 result. "We continued to cess industry and the health cent, with an annual care industry respectively. increase in earnings per share.

Mr Selander said Aga's ng in its own area. investment in new plant and Aga intends to cut staff at equipment, which totalled Group sales fell from its 377-strong headquarters SKr3.9bn last year, would as part of the reorganisation. enhance earnings in the This would entail a charge of longer term. SKr100m in the first quarter

Sales grew 3 per cent last year, excluding currency effects. Mr Selander said an improvement this year would depend heavily on economic developments in

He was aiming for a 15 per

Spanish tobacco group falls 4%

By David White in Madrid

Tabacalera, Spain's stateowned tobacco group, suf-fered a 4 per cent fall in attributable net profit last year to Pta13.46bn: (\$93.5m) as extra-government taxes hit cigarette sales.

Operating profits plunged 30 per cent to Pta12.65bn, compared with Ptals.11bn the year before.

Cicarette sales by volume were 4.4 per cent down, with gains in upmarket brands but lower sales of middlerange products, and a sharp drop in cheaper darktobacco clearettes.

The company said the tax rises, imposed in the summer to patch up a shortfall in government budget fig-ures, had prevented the usual build-up of stocks at the end of the year.

However, it said there were reasonable prospects for a recovery in sales this year on the basis of the trend in the first two months.

Gross turnover for the group last year was up 5 per cent at Pta817.73. However, the net figure, after taxes and tobacconists' commissions, showed a 1.6 per cent decline, to Pta329.08bn.

· Corporación Mapire, the listed holding unit of Spain's leading insurance group, said attributable net profit rose 6.5 per cent last year to Pta10.2bn after losses in its foreign operations.

Before taxes and minorities, consolidated profits were slightly down, from Pta17.9bn to Pta17.8bn, after a 25 per cent reduction in extraordinary gains to Pta3.9bn, according to preliminary figures.

Direct insurance operations abroad, mainly in Latin America, showed a Pta328m loss, after profits of Ptal.54bn in 1995. This contrasted sharply with a rise of almost 21 per cent in earnings from the group's main Spanish insurance operations, to Pta10.8bn.

EUROPEAN NEWS DIGEST

WestLB boosted by commissions

Westdeutsche Landesbank, Germany's biggest public sector bank, yesterday reported a provisional 5.1 per cent rise in operating profits before risk provisions, to DML 802bn (\$1.07bn). The operating profit including risk provisions rose 7.6 per cent to DM1.086bn.

Mr Friedel Neuber, chairman, said favourable market conditions had boosted net commission and trading income in 1996. WestLB's foreign investments, notably its acquisition last year of Panmore Gordon, a UK brokerage house, had started to pay off and helped lift net commission income 22.8 per cent to DM709m. Trading income rose 58.5 per cent to DM455m. Helpful conditions in the money and capital markets lifted net interest income by 5.9 per cent to DM3.64bn. An unchanged dividend of 6 per cent of core capital will be paid.

Frederick Studemann, Frankfurt

Index to acquire Traub

Index, a privately owned German machine tool company. is to take over Traub, another large German tool maker. The two companies announced the deal yesterday. The combined company will have annual sales of about DM700m (\$415m), making it the fourth biggest maker of

machine tools in Germany.

Traub has incurred losses for five consecutive years, with bank debts of up to DM250m, and announced last year that it was putting itself up for sale or seeking a business partner. The company has suffered from weak iemand among European engineering companies, as well as high labour costs at its main manufacturing site near Stuttgart, Index, also based near Stuttgart, has been talking to its near neighbour for several weeks about the possibility of a deal.

Weaker franc lifts EMS

A weaker Swiss franc helped EMS Group, the Swiss speciality chemicals company which exports more than 90 per cent of output, to increase net income 12.2 per cent in 1996 to SFr229m (\$155.25). Total sales rose 2.3 per cent to SFr945m and return on equity rose to 24.1 per cent. Sales of performance polymers, which accounted for more than three-quarters of the total, rose 3.5 per cent; fine chemicals sales climbed 12.2 per cent to SFr137m. These two divisions increased their profits, but earnings at EMS-Inventa, an engineering company whose fortunes a tied to the textile industry, fell sharply.

Meanwhile, Pharma Vision, a SFr5.2bn Swiss investment fund chaired by Mr Christoph Blocher, chairman of EMS, has reshuffled its investment portfolio. Its 15.6 per cent stake in Roche bearer shares still accounts for 93.1 per cent of the total. However, a 0.5 per cent stake in Hoechst, the Swiss chemicals company, has dislodged the UK's Glaxo Wellcome as the second-biggest of the fund's four investments.

Viag arm resumes dividend

The German packaging concern Schmalbach-Lubeca, a majority-owned subsidiary of the diversified utility Viag. said yesterday it would resume payment of a DM5 a share dividend for 1996. It last paid a DM5 dividend for 1994. The move follows a return to net profits - of DM51m (\$30.2m) - in 1996. For 1997, Schmalbach-Lubeca expects group sales of about DM4bn, in line with 1996 revenues.

AP-DJ, Ratingen, German

Newtelco names

chief executive

By William Hall in Zurich

Mr Hans Ivanovitch, 44, British Telecommunications' general manager for central Europe, has been appointed chief executive of Newtelco, the first main challenger to the monopoly of Swiss Tele-

Newtelco, whose international partners are BT and Tele Danmark, hopes to capture 15 per cent of the SFr10bn (\$6.8bn) Swiss domestic market after Switzerland liberalises its telecommunications sector next year, according to Mr Alfred Mockett, managing director. Swiss. Federal. Railways achieve turnover of SFribn. the first phase, but much of exchange eventually.



(From left) Benedikt Weibel of SBB, Josef Egger of Newtelco and Hans Wuertzen of Tele Danmark yesterday

tions division.

of BT's global communica- (SBB), Union Bank of Swit- and employ 1,000 staff within this will be contributions in zerland, and the Migros five years. A total of kind The company plans to Newtelco, founded by supermarket chain, aims to SFr500m will be invested in to float on the Swiss stock

Block on chief adds to Bezeq troubles

Bezeq, Israel's state-owned telecommunications network, vesterday suffered another setback after an independent watchdog held up the appointment of Mr Yoram Turbowicz as managing director.

The committee, set up to examine possible conflicts of interest for civil servants. said Mr Turbowicz might have to wait a year before taking up his post.

involved in the company's issue.

privatisation strategy. He continued: "The company needs strong leadership. Its relations with the government are strained and it faces strong competition from international carriers who enter the Israeli market instead.

later this year."

"The decision could not for May, and its chances of C&W wanted to acquire a employees as a charge

The delay also leaves press ahead this year with stakes of more than 5 per holds a 76 per cent stake, an international share offering. Last month, the govern-

In addition, the group is Bezeq is also concerned still in dispute with Cable that the hold-up threatens and Wireless, the UK telethe success of a \$200m Yan- company which holds it opposed Bezeg's plan to 3.2 per cent from Shk440m kee band issue, scheduled a 10 per cent stake in Bezeg, take a 10 per cent bonus for to Shk454m.

have come at a worse time securing a credit rating from further 10 per cent, but the for Bezeq," said an analyst Standard & Poor's before the government last month unexpectedly introduced legislation preventing any unclear whether Bezeq will investor from acquiring cent without its approval.

Bezeq, one of Israel's most ment said it would tap the successful companies, has net income. bouyant domestic market also clashed with the government over dividend policy. On Friday, just as Bezeq was about to publish its 1996

which is set at 55 per cent of For the first nine months of last year, Bezeq revenues rose 3.8 per cent, from Shk5.76bn to Shk5.98bn results, the government said (\$1.79bn). Net income rose

against its 1996 accounts.

The government insisted

on a lower bonus, paid by

the parent company. Bezeq

says the government, which

was protecting its dividend,

GROUPE PARIBAS



Global growth

(par value \$.01 per share)

Common Stock

CIENA Corporation

All of these securities having been sold, this advertisement appears as a matter of record only

5,750,000 Shares

1,150,000 Shares

on at the allering was allered outside the United States by the undersioned

Goldman Sachs International

Alex. Brown & Sons

Wessels, Arnold & Henderson, L.L.C.

William K. Woodruff & Company

4,600,000 Shares

This portion of the offering was offered in the United States by the undersigned.

Goldman, Sachs & Co.

Alex. Brown & Sons

Wessels, Arnold & Henderson, LLC.

William K. Woodruff & Company

Bear, Stearns & Co. Inc.

Cowen & Company

Montgomery Securities

Oppenheimer & Co., Inc.

UBS Securities

Unterberg Harris

February 1997

12.1% return on equity

The target of reaching return on equity of 10% by 1998 was reached in 1996.

FRF 10.7

billion Increase in unrealised capital gains for the third successive year following asset disposals in 1996.

FRF 13

per share An increased dividend to the Annual General Meeting of Shareholders on April 25, 1997.

*US\$ 830.15 million

Net income FRF 4.35 billion*

n 1996, Groupe Paribas earned total net income of FRF 5,062 million and net income excluding minority interests of FRF 4,350 million. After a difficult year in 1995, owing to the appropriation of exceptional provisions, 1996 marks a return to growth for the Bank as a whole.

All of the Group's core business activities saw their operating activities progress

 Banque Paribas earned net income excluding minority interests of FRF 1,824 million and pre-tax return on operating activities reached 13%. All of the Bank's activities- wholesale banking, capital market activities and specialised financial services- saw their revenues increase.

- The contribution from Paribas Principal Investments rose substantially to FRF 3,197 million, For the past three years, this activity has made the largest contribution to the Group's results. All of the operating activities of Compagnie Bancaire have made progress. This business, however, contributed a loss of FRF 583 million to the Group's results owing

to the exceptional provisions retained to eliminate real-estate risks. Credit du Nord also reports enhanced profitability. At the beginning of 1997, Paribas signed a draft agreement for the sale of Crédit du Nord to Société Générale which will take control of

The commitments made at the beginning of 1996 have all been respected

this subsidiary to 1997.

- The goals for asset disposals have been achieved ahead of schedule. They chiefly concern Poliet, Audiofma, Axime and Banque Onomane; they made it possible to realise capital gains worth more than FRF 3.1 billion.

Uturealised capital gains on equity holdings have increased. They stood at FRF 10.7 billion in December 1996 compared with FRF 8.8 billion in December 1995.

- The asset disposals completed by Compagnie de Navigation Mixte enabled Paribas to recoup cash equal to the value of its takeover investment

- The financial resources of Banque Paribas have been reinforced by an increase in capital worth FRF 4 billion in order to consolidate its future development plans.

A return to growth, a sharply-focused strategy The various items for which exceptional provisions were retained in 1995 (namely, the Bank's real-estate holdings, Compagnie de Naviguion Mixte and Crédit du Nord) no longer have a negative impact of the Bank's accounts,

The results obtained in 1996 illustrate the validity of the specialisation and selectivity strategy adopted by Groupe Paribas, focused on two core business activities: international wholesale

banking and specialised financial services.

3, rue d'Antin, 75002 Paris 33 1 42 98 77 46 | Internet :http://er

*****→ 終業議会という Service of the servic erite (files, p P4655 Mar Labor 4224 Cray

te Traub

Park Street

Haras :- ·

والتعلق

4 3, -

Continues in the Continues of the Contin

ifts EMS

S. 0.17 % و الما 4.6 State 15 医超级 医水 T 1.3-444

ath

1343

Maria Commission

野海生の中の大阪

ohn Symond, managing existing mortgages director of Aussie Home Patrick Eng., of Moody's Loans, likes to portray Investor Services. "That himself as the David of the share is shrinking." Australian mortgage market who took on the Gollath of There is little room for nonthe big banks and won. He sees himself as a man

of the people who has banks move only about 25 brought cheap mortgages to basis points, he says. "But if the public in defiance of we just did home loans and large banks, which he relied on price differentials, accuses of ripping off their then we were always going customers. Now, however, to fail. That is why we are the price war has entered a working on other products new phase and the banks are and using our economies - fighting back hard....

Following mortgage rate products." cuts by Commonwealth banks have prought their variable morigage rate down ment treasurer, for underbanks have brought their to 7.55 per cent, where it cutting banks on small busiinroads into the mortgage alty we've got," he says. market by lending cheep and securitising their portfolios.

of their price advantage gin on mortgage lending has means non-bank lenders will halved to around 150 basis market share of about 14 per of years, most say the busicent of new lending.

NOTICE OF

ADJUSTMENT IN CONVERSION PRICE

TO THE HOLDERS OF

The Multicare

Companies, Inc.

(the "Company")

7% Convertible

Subordinated

Debentures Due 2003 (the "Debentures")

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Fiscal Agenc

16, 1995 the conversion price of

the Debentures has been adjusted from U.S. \$26.00 to U.S. \$17.33

per Conversion Share of th Company's common stock \$.01 per value. This adjustment has been made at a result of a 3 for 2

stock, par value \$.01 per share, effective durough issuance of a 50% stock dividend, effective

THE MULTICARE

COMPANIES, INC.

splic of the Company's co

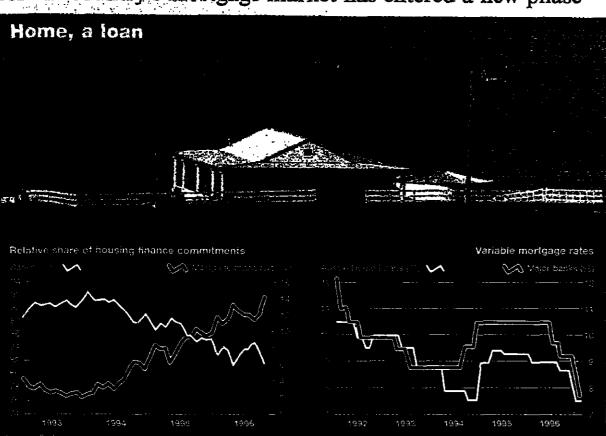
May 28, 1996.

Dated: March 4, 1997

ment deted as of March

booste Test for Aussie Home Loans

The non-bank lender's struggle with the big Australian banks for the country's mortgage market has entered a new phase



But Mr Symond is defiant.

banks to cut their rates further in response to the of scale to market those

Mr Symond has been Bank last month, the big praised by Mr Peter Costello, Australia's federal governmatches chosely the rate ness loans, and cultivates charged by Aussie Home his image as a champion of Loans and other non-bank the consumer. "It'll be a task lenders who have made for us to see how much loy-

The big banks, however, appear to be in for the long Analysts believe the loss haul. Even though the marstruggle to maintain their points over the past couple ness is still profitable. More-"About half of the busi- over; they are increasingly ness written by non-bank moving to end the practice lenders was refinancing of of using mortgages to cross-

USD 26 000 000 000 .

subsidise other services.

Mr Greg Conway, head of mortgage operations at National Australia Bank, Loans' foray into small busisays: "We own and control ness loans secured against our own distribution channel, and we have also initiated strategies to source production through third

14.6 per cent is lower

residential housing is push-

ing it into riskier territory,

borrowers will be scrutinised

and the loans fully insured

against both capital and

interest default, he risks

damaging his reputation if

small business failures lead

tion to the good deals offered

by Aussie Home Loans and

sparked renewed interest in

residential mortgages, says

Mr Gill says Puma still

That points to a bruising

battle ahead. But even if the

banks do fight Mr Symond

off, there is little chance of a

Peter Montagnon

TO SAVE ALL

THESE TREES WE

DOWN THIS ONE. •

V

HELP CHOP

turn of the century.

But the move drew atten-

Though Mr Symond says

according to analysts.

to repossessions.

Meanwhile, Aussie Home

than that of other banks.

sign that the banks are happy with their return on mortgage portfolios is that, with the exception of Westpac, they have not moved into securitisation. Banks have excess capital, says Mr Eng, and mortgages are a good way of

But all the large banks Mr Anthony Gill, managing have now structured their director of Puma Managemortgage portfolios to ment, the vehicle through enable them to securitise if which Aussie mortgages are they wish. Securitisation refinanced. means taking mortgages off the balance sheet and refi- expects non-bank lenders to nancing them through the have a 40 per cent share of bond market. The banks ben- the mortgage market by the efft from fee income for managing the portfolio without employing any capital on

actual lending, so their overall returns rise. Westpac admits that its return to mortgage margins move into securitisation above 3 percentage points. reflects a desire to boost its return on capital, which at

ASIA-PACIFIC NEWS DIGEST

First Pacific advances 32%

First Pacific, the Hong Kong-based conglomerate controlled by the Salim group of Indonesia, reported a 32 per cent rise in operating profits last year to US\$448.5m. I said the telecoms division's contribution to group profit before exceptionals rose 40 per cent to \$63.8m, with sales up 20 per cent at \$391m. The total number of subscribers rose 75 per cent to about 630,000.

The property division saw profits before exceptionals climb 25 per cent to \$35.5m, on sales up 42 per cent to 💍 \$268m. The group reported an exceptional loss of \$15.8m caused by reorganisation costs and provisions for investments. "By any measure, 1996 was a year of significant achievement for us," said Mr Manuel Pangilinan, group managing director.

AFX-Asia, Hong Kong

MBO at Eureka Tiles

The management of Eureka Tiles, the Australian tile maker owned by BTR, the UK-based conglomerate, is launching a buy-out, a type of deal rarely used in / Australia. The managers have backing from Catalyst, the management buy-out fund, and ANZ Bank. No figure was disclosed for the value of the deal, but it is thought to be worth tens of millions of Australian dollars. Eureka, which is based in Ballarat, Victoria, and was established in 1910, has annual sales in excess of A\$20m (US\$15.5m).

Catalyst, which is based in Sydney and one of only a handful of management buy-out specialists in Australia, will hold a majority stake, with six Eureka executives also investing. There is also a tranche of subordinated loan funding, as well as senior debt. Mr Trevor Dixon. Eureka managing director, who proposed the deal to BTR said Catalyst would probably seek an exit within the next

Losses cut at Harbour Casino

Sydney Harbour Casino, the gaming property which Mr Kerry Packer, the Australian businessman, is seeking to control, yesterday announced a A\$4.82m (US\$3.7m) loss after tax for the 18 months to end-December. This compares with a A\$52.3m loss in the the 12 months to the end of June 1995. Sales revenue was A\$495.2m.

The result was struck after a A\$105.9m abnormal charge, compared with a A\$51.2m charge in the previous period, which reflects pre-opening expenses of the casino's new permanent facility, plus associated rental and interest costs. SHC is still operating from "temporary" premises while its A\$870m permanent facility, close to Sydney's harbour bridge, is completed. The company said this was on target to open in December. The Sydney casino got off to a bumpy start in 1995, which it attributed to competition in Australia's increasingly crowded casino

Last month, Mr Packer's listed Publishing and Broadcasting group announced it had agreed to acquire about 55m shares, or 10 per cent, of SHC from the US-based Showboat group, with options over a similar amount. It also said it was buying the management contract for 85 per cent of the property. The deal is worth

Crédit Lyonnais in fund deal

Prudential Corp, the UK insurer, said it had appointed Crédit Lyonnais Securities Asia to manage up to \$1bn for direct investments in China, India and Vietnam, Initial funding for the Prudential Invest Direct Asia (Pida) Fund will be \$150m and the investments will be sourced. structured and monitored by Crédit Lyonnais. Pida has been set up to invest in emerging markets where opportunities for portfolio investment are limited by the lack of a fully developed capital market.

FIDELITY FUNDS SICAV

R.C. No B 34036

Fidelity Funds SICAV has doctared an interim and quaterly dividend in respect of shares of each of the undernoted sub-funds held at close of business on Japany 31, 1997. The dividend account Paris of the control of t

m respect of shares of each of the undernoted sub-funds held at close of business on languay 31, 1997. The dividend amount, Bearer coupon number and payment currency are as indicated below. In the case of negistered shares, dividends will be paid or reinvested in additional shares of the relevant fund as appropriate on payment date of March 14, 1997. Dividends not cashed within 5 years from payment date will lapse and the dividend will revert to the Pund.

SUB-FUND NAME PAYMENT DIVIDEND COUPON CURRENCY PER SHARE NUMBER

Dividends will be paid to holders of Bearer Shares in the currency of denomination of the sub-fund (or by arrangement with the Paying Agent and at the cost of the shareholder, in any other currency) against sen-

P.O. BOX 807 14, BOULEVARD F.D. ROOSEVELT LUXEMBOURG

Fidelity investments

GBP

Paying Agent in Luxembourg: BANKERS TRUST LUXEMBOURG S.A.

0.1406 0.0044

Paying Agent in The Netherlands:

ABN-AMRO Bank Herengracht 595 AMSTERDAM

Paying Agent in Sweden:

Svenska Randelsbanken

ciété d'Investissement à Capital Variable Kansallis House - Place de l'Etoile

Jeremu Grant, Hanoi

delivering results.

Results for the six months ended December 31 1996

The Group has enjoyed another six months of solid progress, with all core activities performing well.

Compared with the half year to the end of December 1995, we recorded an 18% growth in pre-tax profit and an 18% rise in earnings per share, both before exceptional items of £7.5 million. The interim dividend is increased by 15% to 3.0p per share.

DISTRIBUTION.

Higher profits in logistics offset by reduced results in Chemicals.

Logistics Improved both profits and margins despite currency factors and has continued to win new business. Chemical Distribution was affected by higher input costs in a buoyant market.

The acquisition of Daufenbach and the expansion of our Scottish & Newcastle contract to include the entire "off trade" distribution are both important developments.

Equally significant is the signing of a new 5 year logistics management contract with Kriegbaum, a major German

COMMERCIAL

Operating profit up 33%, with particularly strong overseas growth.

The core activity continues to perform strongly both in the UK and overseas. The growth is a result of increased business from existing customers and expansion into new areas. ICS, acquired in the half year, is performing very well and in Hays Information Management there is continued geographical growth in response to customer demand.

PERSONNEL

Operating profit up 33%, productivity continuing to rise.

All our major businesses contributed to an excellent result, with growth in both permanent and temporary placements. Investment in information technology will continue to strengthen our productivity and competitive

PROSPECTS

We expect second half growth in Distribution as well as continued progress in Commercial and Personnel. The balance sheet remains strong, and we are well-placed to continue to maximise shareholder value and take advantage of opportunities as they arise.

FINANCIAL HIGHLIGHTS (Unaudited) FOR THE 6 MONTHS ENDED 31 DECEMBER 1996

1996 % Change

Profit before tax £71.7m

Earnings per ordinary share" 10.3p 12.lp +18% Interim dividend per share +15% 2.6p 3.0p

For your copy of the interim statement for 1996, please write to David Beddex. Hays plc, Hays House, Millmead, Guildford, Surrey GU2 5HJ.

This advantagement has been approved by Deloites & Touche, who are authorised to carry on investment business by the insulate of Chartered Accountance in England and Wales.

SOCIETE GENERALE. EUROFINA GA SOCIETE GENERALE ACCEPTANCE N.V. AND SOCIETE GENERALE AUSTRALIA LIMITED U.S. \$250,000,009 SERIES 67/4-6, TRI SGA SOCIETE GENERALE rische Mark LIBOT Graed Mag Buta Notae dus 200 ACCEPTANCE N.V.
FRE 800 800 800
FLOATING BATE NOTES
DUE JUNE 2004
ISIN CODE: X5004909901 For the Interest Period 3rd March, 1997 to 3rd Jane, 1997 the Notes will carry an Interest Rate of 5.375% per annual with Coupon Amounts of U.S. \$13.74, U.S. \$187.56 and U.S. For the period March 03, 1997 to June 02, 1997 the new rate has been fixed at 9.0140525 % P.A. \$13,736,11 per U.S. \$1,000, U.S. \$10,000 and U.S. Next payment date; Jupe 02, 1997 Coupon pr : 11 \$1,000,000 Notes respec-tively. The relevant Interest FRF 2 278.55 for the ion of FRF 100 000 FRF 22 785.55 for the Swiss Bank Corporation of FRF I 000 000 THE PROCEDUL PAYING AGENT BANK ATRUST SA-UJIENBOURG

A Prime Site Commercial **Property**

Advertise your property to approximately 1 million FT readers in 160 countries.

For details: Tina McGorman +44 (0)171 873 3252 Fax: +44 (0)171 873 3098

arty Dathmann and Shanning Surious Clubs

SmithKline Beecham PLC Floating Rate Unsecured Loan Stock

nterest Rate: 6,00% per annum nterest Period: 3 March 1997 to 2 June 1997

Agent Bank

1990/2010

Midtand Bank pic

WWF World Wide Fund For Nature

And how to remove it without helidoring

s such through the sur-ounding trees,

If the confiness are used wash, then

can be used forever. Help WAT prove

wing to the Membership Officer se the

address below

So a WWF project in Costa Rica is ग्याना के होते हैं है जिल्ला के स्थान bringing down several others around it.

USD Bond Fund

Sterling Bond Fund

Paying Agent in France:

Banque Indosuez 96, bd Hanssmann 75371 PARIS Cedea 08

Paying Apent in Ireland:

Bradwell Limited

Signal will watch the markets for you! Signal delivers realtime market quotes on the issues you're trading. And Signal's alert feature will beep and let you know a price or volu

limit you've set has been reached. Inst call your broker, trade and profit! Signal uses a satellite dish or TV cable (via

Eutelsat) to bring your PC live quotes from the London Stock Exchange, LIFFE, MATIF plus Forex data, and morel

For free information. 44 + 171 626 6101

••• Tropical bardwood trees are more valuable to loggers than other trees to the High prices for Sandwoods cooper than loggen have no qualus about destroying other तस्त्र क्षेत्र कार्य क क्षेत्र *बन*्

Trade Smarter with Real-Time Quotes!

Now available all across Europe via cable and satellite! Are you missing out on

profit opportunities?

all major U.S. Exchanges,

To Advertise in the Business **Opportunities Section** Please call Karl Loynton

COMPANIES AND FINANCE: EUROPE

Big groups face Pallas costs

allow a bank to fail.

company

liquidated.

would

This was in spite of rival

offers for its continued oper-

ation from Masf, the insur-

ance mutual, and from a

group of investors led by Mr

Edouard Stern, a banker

Renault at staging

post on long route

The Belgian closure sent a signal to investors but profit is some way off, writes David Owen

A number of leading French

companies may be required to make good substantial

debts incurred by Comipar, a holding company, and Pallas Stern, its banking subsid-

iary, which were liquidated last Friday.

Elf and Schneider were

among the businesses which

in the past held direct or

indirect stakes and board

seats at Banque Pallas Stern,

and may be involved in

time-consuming litigation after a court decision at the

They face being forced to

hare the costs of covering

debts which run to more

than FFr8bn (\$1.4bn) at Com-

ipar, after an almost unprec-

ouis Schweitzer may be public enemy num-

ber one in Belgium. But there is little doubt the

Renault chairman's decision

last week to announce the

closure of the French car-

maker's Belgian assembly plant will have made him more popular with institu-

It appeared for much of

last year that it would take

the intervention of one of

the company's heavy Mack

trucks to lift its shares out of

the depressed range into

developments - rising more

than 20 per cent in three

But is this sudden burst of

Schweitzer's part - accompa

nied by a reconfiguration of

the company's other Euro-

when the company is expec-

ted to unveil the full extent

of 1996 losses, now estimated

at about FFr5bn (\$880m)?

given up some of last week's

gains, closing down FFr6.90,

Analysts have warned that

accounting for less than 10

volume carmakers were last

stock market at FFr140.

improvement.

days to FFr146.90.

tional investors.

end of last week.

EAST EUROPEAN BUSINESS LAW

Whether you already operate in Eastern Europe and need to know how new laws affect your business, or you are considering starting a business there and need to weigh up the pros and cons of setting up, you need to subscribe to East European Business Law.

Every month, East European Business Law provides coverage and analysis of:

- New legislation
 Court decisions
- Rulings by administrative/regulatory bodies
- Law reform measures International agreements
- General legal news
 The range of legal services

To receive a FREE sample copy, contact: FT Financial Publishing, Maple House, 149 Tottenham Court Road, London W1P 9LL, UK

Telephone: +44 (0) 171 896 2286 Fax: +44 (0) 171 896 2319



FINANCIAL TIMES Financial Publishing

NEW ISSUE

FEBRUARY 1997

SITELECOM

CZK 7,000,000,000 SPT TELECOM, a.s.

11.3% Bonds Due 2004

Issue Price: 100 per cent.

Lead Manager Česká spořitelna, a.s.

Senior Co-Lead Managers

Credit Suisse First Boston (Praha) a.s. ING Baring Capital Markets (C.R.) a.s.

Patria Finance, a. s.

Junior Co-Lead Managers **ABN AMRO Hoare Govett**

Komerční banka, a.s.

Creditanstalt 2.3. Dentsche Bank AG Filiale Prag, Prague branch WoodCommers, a.s.

Citibank a.s. Credit Leomais Bank Praha, a.s. Investiční a Poštovní banka, a.s. Živnostenská banka, a.s.

Co-Managers Agrobanka Praha, a.s. Českomoravská zároční a rozvojová banka, 2. s. IB Austria Securities Praba, a. s.

Bankers Trust International PLC GiroCredit-Sparkassen Banks Praha a.s. olidační banka Praha, s. p. ú. Nomura International pic Societe Generale Banka, a.s.

Moravia Banks, a. s. Raiffeisen Capital and investment Praha, s. r. c. Vereinsbank (CZ) a. s.

BlueStone CAPITAL Investment & Merchant Banking

BlueStone Capital Partners, L.P.

is pleased to announce that

Martin Bussmann

Honorable Rupert Carington

Louis F. Dempsey David J. Hogan

James P. Miscoll

Anthony Williams

Robert Wilson

have joined the firm's

International Advisory Board

575 Fifth Avenue, 37th Floor, New York, NY 10017 Telephone: (212) 850-0500 / (800) 236-0835 / Facsimile: (212) 681-8320 e-mail: info@bluestonecapital.com



3i International B.V.

\$150,000,000 Guaranteed floating rate notes 1999

The notes will bear interest a 6.4375% per annum for the interest period 28 February 1997 to 30 May 1997. Interest payable on 30 May 1997 will mount to £160.50 per £10,000 note and £1,604.97 per

Agent: Morgan Guaranty Trust Company

JPMorgan



£15,000.000 Series 17 Floating rate notes due May 2000 Notice is hereby given that the notes will bear interest

the notes will over traverst at 6.315% per annum from 28 February 1997 to 30 May 1997. Interest payable on 30 May 1997 will amount to \$1,574.42 per \$100,000

Agent: Morgan Guaranty Trust Company **JPMorgan**

WOOLWICH - Building Society -\$40.000,000 Series 47 Floating rate notes due May 2000

Notice is hereby given that the notes will bear interest at 6.31% per annum from 28 February 1997 to 30 May 1997. Interest payable on 30 May 1997 will amount to 51,573.18 per \$100,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

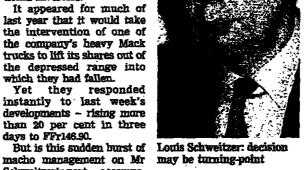
Britannia

\$25,000,000 Floating rate notes

due May 2000 For the period 28 February 1997 to 30 May 1997 the notes will bear interest at 6.35% per annum, **interest** payable on the relevant interest payment date 30 May 1997 will

mount to \$1,583.15 per Agent: Morgan Guaranty Trust Company

JPMorgan beautiful".



confirmed by the company, that this year's social plan in pean plants - enough to put France will contain proposit on a firmer footing, or will als for 3,000 job cuts, up it be simply the first step in from 1,600 in 1996 - follow a a more drastic reorganisation? And will the shares' has stabilised at just below new-found buoyancy still be 140,000, after sharp reducin evidence on March 20, tions in the late 1980s and early 1990s.

Output in 1995, meanwhile, was almost identical not," says Mr Will. "Valeo to 1991's at 1.84m cars, Already yesterday, the had trucks and commercial

wo other factors help or 4.7 per cent, on the Paris to put the performance of Renault the market's reaction is and, to a lesser degree, of rival Peugeoi-Citroen, where overdone. They doubt that the closure of a plant first-half profits were 50 per cent down from year-ago lev-

per cent of the company's els - in context. passenger car output can by First, government puritself trigger a durable chase incentives meant 1996 was a very strong year for They compare the new car registrations in FFr850m annual savings the France, where the two group expects to secure as a domestic groups retain well result of the reorganisation over 50 per cent of the mar-with an expected 1996 oper-ket. This year, by contrast, analysts expect a fall in regating loss of FFr8bn in the car division alone.
"Does this mean Renault istrations of 10 per cent; January and February figures will make money in 1997? Of were down 33 per cent and course not," says Mr Christo-25 per cent, respectively. pher Will, an analyst with And, analysts add, there is little to suggest an improve-ment in prices is in prospect. Lehman Brothers. "The fun-damental problem remains that three of Europe's six Market conditions in Ren-

year in loss and there is no words, look set if anything to get tougher. evidence that prices are going anywhere other than Second, 1996 was also a good year for the big French Ms Sabine Blümel, analyst car parts makers - despite at IMI Sigeco in London, the problems of their cussays she would have pretomers. Profits at Bertrand ferred the reorganisation to Faure, the car seat maker, tripled; at Valso, they were have come three years ago. "They need to cut costs fasup a fifth, with operating

ault's home market, in other

ter than they are having to income ahead 36 per cent. cut prices."

The Belgian closure – and subsequent suggestions, not to produce profits about Communist CGT.

edented decision by the Paris commercial court to las Stern had been placed in administration in summer Judge Jean-Pierre Mattéi 1995 in the wake of financial ruled unexpectedly that Paldifficulties. las Stern and its parent

Shareholders - notably Elf had refused to inject additional capital to enable the bank to continue operating. Mr Philippe Jaffré, the chairman of Elf, had decided to refuse the "invitation" from the governor of the of France to

with Lazard in Paris. Shareholders may be hurt recapitalise. His decision was a landbecause of a long-established mark in the recent evolution practice in French banking of French capitalism, with law by which shareholders Elf arguing that it had no can be "invited" by the gov-ernor of the Bank of France responsibility as an industrial group to support a to recapitalise a financial bank, and the Bank of institution that is in danger France unable to force it to

Montdoice (DCC)

Renault Group

Parent compe

level with 1995, despite pro-

ancy between the perfor-

mance of French carmakers

and parts suppliers is principally because the latter have

internationalised more suc-

cessfully. "Michelin and

Valeo are global companies;

was the one component com-

pany which decided early on

there was an opportunity if

able to undercut the domes-

tic competition everywhere."

February 1997 may, mean-

while, go down as a turning-point in one other important

respect - particularly in view of the government's

rejection, a day before the Belgian plant was con-demned, of calls from Ren-

ault and Peugeot to help

fund plans to cut thousands

of jobs and reduce the aver-

age age of employees

It may be seen as the

month when it became clear

that Renault - in which the

French state retains a 47 per

majority interest last year -

much like other private com-

there are numerous family

companies considering a

The Adolfo Dominguez

offering follows a trail blazed

by Sol Meliá, the Maliorca-

based hotel group which

through early retirement.

profit in 1998.

Analysts say this discrep-

visiens for job cuts.

akenver The decision of the com- do so. The refusal has led to mercial court came after Pal- considerable debate about the possibility of modifying the country's banking laws, as well as a change to France's depositor protection scheme, making it more generous and comprehensive under an agreement last

> shareholders may now be forced to make a contribution to shore up Comipar's

Mr Gérard Eskanazi, head of Pallas Stern, and a number of other former executives have been placed under formal investigation by French magistrates follow-ing the beginning of a just-

cial inquiry in February last Santander proposes 3-for-1

share split

By Tom Burns in Medrid

Ranco Santander, Spain's leading banking group, said its shares from Pta750 to Pta250, tripling the nun that it trades on Madrid's Bolsa to 479m. The move is designed to favour small

The 3-for-1 share split. which will be proposed by chairman Mr Emilio Botin at Santander's annual general meeting on March 22, is the first undertaken by a hig domestic bank. The strategy could be imitated by rival institution Banco Bilbao

The split does not very Santander's subscribed capiwhich remains unchanged at Ptal19.8bn. But it does reflect concern at the bank over the high trading price of its shares and an eagerness to take advantage of a strong appe tite among small investors

for Bolsa equity. Santander's share price rose 54.2 per cent between the start of September and the end of February, and is Renault and Peugeot are now trading at around share could encounter a psy chological resistance level at Pta10,000 which might slow a further climb in value.

they became both pan-European and global. Valeo's BBV chairman Mr Emilio growth is because they are Ybarra told the bank's shareholders last mouth that he would consider a It seems likely, then, that two-for-one share split, halvlast week's appouncement is ing the Pta575 nominal value, if the bank's stock the start of a long haul for Renault in which further rose to Ptal0,000. BBV productivity improvements shares, which have also - and perhaps radical surrisen steeply over the past gery - will be needed en six months, are trading at route to a possible return to around Pta8,450.

By reducing the trading value of its stock to below Pta3,300, Santander is hoping to take advantage of the Bolsa rally by making its equity appealing to small

Growing domestic interest in equity investments was revealed by the privatisa-tion of Telefonica last month. The retail tranche of than nine times oversubscribed and Telefónica donbled its number of shareholders to more than 1.3m. Santander is one of the Bolsa's blue-chip stocks and

cent stake after selling its its dividends have grown at would in future be managed a compound average rate of 15.56 per cent over the per panies. That certainly seemed to be the conclusion 10 years. Analysts said the effect of the split on the value of the

bank's shares was likely to

be neutral over the short

Bolsa to try on Domínguez

By Tom Burns

Twenty years ago, Mr Adolfo Dominguez revolutionised Spain's conservative dress sense. Now he may be about to change traditional business on Madrid's stock exchange, through a placement of 70 per cent of his design and retail company.

The subscription period opens today for the initial public offering of Adolfo Dominguez SA, which controls 72 stores, including outlets in London and Paris. Analysts say it will fully test the domestic market's capac-ity to absorb issues in new

sectors. Bracketed with Jill Sanders in the US and Giorgio Armani in Italy, Mr Dominguez has come a long way since his early collections of casual menswear and Robert Fleming of the proclaimed "the wrinkle is UK, which will help place 40

For those who associate the Spanish designer with a

genius for subtle fabrics, soft colours and simple lines, it comes as a surprise to hear him talk like a hardened stocks traded on the Bolsa." What comes as a surprise to hear we have got is a lot of families with savings who are merchant banker. When his two brothers and

his sister decided to distry-est from the family business, he persuaded them to reject market listing." overtures from Luis Vuitton, the French drinks and luxury goods group, and to place their stock on the market, so that he could continue to control the company with his 30 per cent stake.

international institutions.

raised \$275m last June when it put 40 per cent of its family-owned equity on the Mr Dominguez considers Bolsa; and by TelePizza, a Madrid's market too narrow, fast food company that realarguing that it should fire ised \$81m when it floated 45 investor expectations by reflecting changed consumer trends. His perceptions are backed by Banco Central Hispano, the big domestic

per cent of its shares in November. With an estimated market value of between Pta22bn and Pta26bn (\$181m), Adolfo bank which will co-ordinate per cent of the offer with

issues. Sol Mella, which was the first hotel and leisure group

increase from Pta74bn ic Pta138bn; while TelePizza's capitalisation has climbed we have got is a lot of fami-lies with savings who are begining to think about Pta70bn. from Pta24.8bn to about equity investments and

With Mr Dominguez's fashion group, investors are being invited to buy into an even more novel, and an arguably riskler, sector.

"The first question I'm asked [by investors] is what happens to the company if I should suddenly die, says Mr Dominguez. "I tell them that [French designer Cocol.

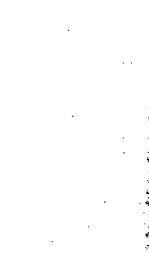
Chanel is dead." Mr Dominguez is selling design teams that produce high-quality fashion and a

Merger att

1 Sec. 1

Section.

vertical retailing business that ensures medium prices by eliminating intermediaries. His company reported Dominguez could add impea a net profit of Ptal 2bn last tus to this trend for domestic year on sales of Pta7.5bu Analysts estimate annual ings of 33 per cent, and in to be listed on the Bolsa, has sales of 38 per cent over the "There are not enough had its market capitalisation next three years.



BUAN WALL

JHOPE

±,4 544∓

CIATION TO

job search market.

Mr lan Nash, Page's

a share price of 215p.

By Ross Tleman

its to £76m (\$123.88m).

d'ufacturers.

and a differ to

After two years' talks,

Hays has secured agreement

to manage the delivery of

The management contract

requires Hays to set up a

distribution system, mod-

elled on UK practices, in

which the Kriegshaum will

hire 1,000 staff to keep its

stores supplied on a just-in-

Mr Graham Williams,

group development director. said he was confident other

German retailers would follow suit in abandoning

piecemeal deliveries by man-

The German contract.

together with increased

work for Scottish & Newcas-

During the half to Decem-

of overseas carnings pared

I'm from the total, but the

division also suffered from

higher costs in the manufac-

turing part of its chemical

Aided by newly acquired

ICS, Hays' business services arm, which specialises in

overnight mail for lawyers

Growth in pre-tax profits

including \$4.9m to reorgan-

ise ICS and \$2.6m to cover

last summer's unsuccessful

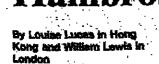
bid approach to its rival.

Christian Salvesen.

distribution business.

भक्त रेक्ट इस्त्राहरू

: **..**



of its largest shareholders its fund management arm with Gulmass Mahon's. Regent Pacific, the Hong

COMPANIES AND FINANCE: UK

HongkongBank group input up Page agrees Surging profits at Midland 2812m of attributable prof- tory would remain key to Bank in the UK helped its, excluding preference Improved net interest HSBC: Holdings to pre-tax dividends, to the HSBC margins and an expanded profits of £4.52bn (\$7.36bn) US takeover

loan book helped Hongkong-Bank group lift its attribut-from 1995. George Graham able profit to the HSBC writes. group by 16 per cent, from to HK\$19.25bn last year.

However, both Hongkong-Bank and Hang Seng Bank, in which it has a 61.51 per cent holding, clocked up big increases in provisions for bad: and doubtful debts. At HongkongBank, provisions terms the provisions were more than doubled to still quite small and did not although the proportion has charge taken leapt to HK\$715m (HK\$131m).

6 graths to Jan 31 2.45 — 8 graths to Jan 31 12.2 — 8 miles to Oct 31 170.5

Yr to Dec 31 - 6 mths to Dec 31 542.5

Yr to Dec 31 301.1

Yr to Dec 31 112.8

Yr to Dec 31 4 179.3

Yr to Dec 31 258.8

Yr to Dec 31

_ Yr to Dec 31

_ Yr to Dec 31 142_1

Commell Parter 6 initis to Jen 31 European Leisure 6 initis to Dec 31 Formacea 6 initis to Dec 31 Formacea 6 initis to Jen 31

RESULTS

Sir William Purves, group rate exposures. chairman of HSBC Holdings, insisted that in relative contributor to HSBC Hold-

45.2

466.2 24.6

#Comparatives for year to April 30 1996. At April 30 1996. SEThird interior: makes 30 to date.

group after a tax total of £3.11bn. HSBC Americas contributed £241m, the British Bank of the Middle East Midland's pre-tax profits £62m and other commercial

HK\$16.63bn (\$2.15bn) in 1995 rose 27 per cent to £1.27bn as net interest income rose by 8 per cent to £2.05bn, despite a drop in interest margins from 2.77 per cent to 2.66 per cent. Midland contributed

HK\$1:4bn (HK\$647m) while reflect any weakening of at Hang Seng Bank the total credit systems. Hang Seng's diversification in other marbigger charges reflected cer-tain trade finance and corpo-accounted for 39 per cent of

Hong Kong is the biggest

(+) 1.021 (387.7) \$1.54 (1,225) 36.5 (87.3) 9.934

(83.9) 71.4 (85.5) 8.6 (9 (18.3) 0.86 (9 (18.3) 0.86 (9 (18.3) 0.86 (9 (18.3) 0.595 (8.82) 1.01 (156) 3.44 (455.6) 84.24 (195.5) 32 (111.4) 1.354 (159.2) 39.3

(159.2

(103.8

Edinburgh Income _ 9 miths to Jan 31 # 45.53 (46.1 +) 0.317 (0.558) 2.11 (3.72) 1§§

9.93<u>*</u> 28

1.35<u>4</u> 39.3

6.34 30.4 23.5 1.73

profit (Em)

(17.8) -(25.1) (0.133)

(17.7) (4♠) (6.44♥

(7.4) 8.61 (7.4) 8.61 (9.556) 3.1 (21.7) 15.31† (3.37.4) 15.31† (3.37.4) 4.85 (9.52) 4.85 (9.52) 4.85 (9.52) 17.89 (3.572) 17.61† (60.8) 10.9 (31.14) 18.24† (3.964) 0.91 (24.1) 23.7 (27.24) 0.47. (27.24) 0.47.

6L 0.88† 17.19 14.7‡ 47.07† 6.3L 8.6† 3.1

operations in the future, and ruled out any ownership or personnel changes in the wake of China's resumption of sovereignty over Hong Kong on July 1.

banking subsidiaries £281m. In the Americas, net interest income was boosted by 9 per cent to \$956m by the acquisition of two branches of Hang Seng Bank and the East River Savings Bank. the share price recently.

been eroded by increased pre-tax profits, down from 42

per cent in 1995. Sir William, who was in

ings' pre-tax profits,

Avis Europe is one flotation that should beat the traffic At 117p, the midpoint of Friday's offer price range, the car rental group will be worth £681m (\$1.1bn). That puts the

Market speculation that the group would seek to adapt itself for the handover by possibly bringing a mainland Chinese shareholder on board, or spinning off HongkongBank in a separate listing, have helped chase up

But Sir William said there tic product, but grow about three times as fast. As market were no plans for either. leader in Europe, the group also has opportunities to win share from smaller rivals with inferior networks and Driving last year's strong results was strong growth in computer systems. On top of that, it has a 40-year licence from Avis of the US to exploit the brand name in Asia. Its net interest income. HongkongBank's net interest management is experienced and two-thirds of the cars Avis Europe buys can be sold back to manufacturers at income increased by 19 per cent, from HK\$25.27bn to pre-determined prices, limiting the scope for accounting

4:5 9

year. First out of the pits, however, Avis Europe looks Forward accepts £129m US offer

LEX COMMENT

shares on 18 times this year's expected earnings, a 10 per

cent discount to the market average. But Avis Europe is

expected to produce compound earnings growth of 15 per

cent in each of the next three years - almost twice as fast

as the market. And with pro-forma dividend cover of 21/4

times and net debt down to £370m or so following the

As long as Europe's economies do not collapse, that

growth is well underwritten. Historically, car rental vol-

umes are closely correlated to movements in gross domes-

vehicle importer, will retain a majority stake of around 60

per cent. It is also worth bearing in mind that Hertz, Avis of the US and Europear are all hoping to float later this

offer, the payout should rise in line with earnings.

By Christopher Price

Forward Group, the printed circuit board company which issued a profits warning in November, yesterday accepted a £129m (\$210m) cash offer from a US leveraged buy-out specialist.

Mr Ray Chamberlain, Fortakeover, will receive £47.7m, while other senior managers, who will also keep their jobs, will get about £4.5m. Mr Chamberment hold a 40.3 per cent stake.

The 230p a share offer is 18 per cent below the 282p price prior to the profit warning. The shares yesterday leapt 61p to 225p.

Mr Chamberlain denied that Hicks, Muse, Tate & Furst Incorporated of the US ward's executive chairman was buying the company who is to stay on after the cheaply. "This is a fair price," he said. "The printed circuit board market has changed and become more competitive, and you could argue that our price before lain and the other manage- was a bit frothy."



spend his bonanza on he cited his "passion" for horse Terry Benson: set to become £5.48m richer after deal

finance director, will receive the 550p offer price. .Interim, which will finance share options. He and Mr Benson exercised a total of the acquisition through debt, has a market capitalisation 500,000 options last year for of \$735m on a share price which edged up 1% cents to Mr Benson said the com-\$89% yesterday . Mr Bay bined group would be one of Marcy, president and chief the world's five biggest executive, said that gearing recruitment companies with of more than 100 per cent sales of \$2.1bn. The deal was would not stop the group at a "favourable point in the looking for further, smaller acquisitions this year.

white-hot, heady days of the graphic fit of combining the "It may not be the 1980s, but in our view we are two companies. Page plans a well into this cycle."

US assault later this year

He forecast there would while Interim is little known have been a dramatic fall in in Europe.

The buoyant UK recruitment market helped Page lift annual pre-tax profits 72 per than quadrupled in two cent to \$30.4m (£17.7m) last years. Yesterday Page shares year in results announced rose 55p, or 10 per cent, to yesterday.

NEWS DIGEST

Ashanti 40% drop prompts review

Ashanti Goldfields of Ghana had implemented a restructuring plan to restore competitiveness at the Jonah, chief executive, announced yesterday when report ing a 40 per cent drop in full year pre-tax profits. Production set-backs, rising costs and a lower gold price contributed to the fall, from US\$110.7m to \$60.1m on a pro forma

Mr Jonah said the measures included labour rationalisation, re-negotiation of major supplies contracts, elimination of high cost contractors and grade control.

Earnings per share fell from 117 cents to 64 cents but the annual dividend is being maintained at 37.5 cents. Attributable gold production rose from 936,738 troy ounces to 1.024,803. Hedging ensured that the average realised price increased from \$427 to \$443 an ounce.

Strong pound hits Perkins

The strength of sterling knocked £900,000 (\$1.46m) off the bottom line at Perkins Foods, which makes the bulk of its sales in continental Europe. Nevertheless the group, which also had to contend with the effects of BSE, increased profits before tax and exceptional items from £21.9m to £23.5m last year. Turnover rose to £466m (£430.7m), including £1em from Disselkoen Group, the Dutch fresh produce exporter acquired in November. Mr Howard Phillips, chief executive, said while the BSE scare had cost £500,000 in the first half it had been more

than offset by the introduction of non-beef products. Mr Phillips said the prospects for Disselkoen promised real growth this year. A distribution deal with one of the three top German supermarkets had already started. The group had also become one of only 15 out of 165 Dutch fresh produce exporters to be nominated to The Greenery, the marketing and sales arm of the Dutch Market Garden Food Co-operative. Yesterday the shares closed at 83p, up

M&C aims for organic growth

Mr Kwek Leng Beng, chairman of Millennium & Copthorne Hotels, which has grown rapidly through acquisition, said yesterday that growth would be organic this year partly because of rising hotel prices. The group is looking to expand principally into gateway cities in the US where it owns or operates three New York hotels.

Millennium, which owns or operates 23 hotels and has a 42 per cent stake in The Plaza hotel in New York. reported malden pro forma pre-tax profits of £39.3m in 1996 up from £24m. Turnover rose by 13 per cent to £179.3m of which £4.4m came from acquisitions. A strong London performance and continued recovery in the UK provinces underpinned the growth. The shares, which floated at 278p, rose 6½p to 383p. Sheherazade Daneshkhu

Centrica in NGC deal

Centrica, the demerged gas supply arm of British Gas, has assumed operational control over Accord Energy, the gas trading joint venture it set up with NGC of the US. NGC will remain a shareholder in Accord but it will be free to set up its own gas trading operations in the UK and Europe. Accord specialises in the short-term trading of wholesale gas. It has been one of the most active participants in the new gas futures market run by London's International Petroleum Exchange. Robert Cornine

Hambros merger attacked

Hambros, the UK independent merchant bank. It seems Hambros is giving Hambros and voiced sha is facing criticism from one up control of a business it criticisms of management. is facing criticism from one over the proposed morger of in exchange for what will

Hambros Fund Management Hambros, making it one of and Guinness Flight Global Asset Management would reap poor value for Regent disclosed that it had Hambros. "On the face of it, built up a 3 per cent stake in claims was key to the future, Jim Mellon, managing direc-

the bank's ten largest shareholders. Last September

Hambros and voiced sharp Mr Mellon said Guinness Flight had about one-third eventually be 35 per cent of Hambros' 25bn assets under the shared entity," said Mr management and "on the face of it, it looks like a dis-

Telefónica

AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of "Telefónica de España, S.A. (the Company) has resolved, in accordance with the legislation in force, to CALL the Annual General Shareholders' Meeting of the Company, to be held in Madrid, at the "Palacio Municipal de Congresos", Avenida Capital de España, Campo de las Naciones, on March 20th, 1997, at 12 noon, on first call, or on March 2 lst, 1997, at the same time, on second call.

The purpose of this call is to submit to the consideration and approval of the Annual General Shareholders' Meeting, the items stated in the Agenda below, if warranted.

AGENDA

- L Consideration and approval, if warranted, of the Annual Financial Statements (balance sheet, income statement and annual report) and the asset revaluation in accordance with Royal Decree 7/1996 of June 7th, and the Management Reports on both "Telefónica de España, S.A." and its Consolidated Group, and likewise, the proposed application of earnings of "Telefónica de España, S.A.", all for the fiscal year ended December 3 lst, 1996.
- II. Approval, if warranted, of the Board of Directors' performance throughout 1996.
- III. Ratification and re-election of Board members.
- IV. Authorizing of the acquisition of treasury stock, directly or through the Group's companies, in accordance with the laws
- V. Delegation of powers to the Board of Directors to issue fixed income securities convertible into Company shares, and to determine the terms and conditions of the conversion, and the authorization to increase share capital in the amount necessary to attend to the conversion applications.
- VI. Issuance of fixed income securities convertible into Company shares, with no preemptive right, delegating the Board of Directors the right to execute this issuance, empowering should the case arise, the Board, the decision not to proceed with the issuance. The determining of the terms and conditions of the conversion, and the increase in share capital in the amount necessary to attend to the conversion applications. The issuance will be at par and the conversion price of the new shares will be a minimum of the average trading price of the shares the 10 days previous to the commencing of the issuance period, and a maximum of 150% of the aforementioned price, although in no case should the price be below the nominal value of the shares.
- VII. Delegation of powers to the Board of Directors, regarding the trading of securities issued by the Company.
- VIII. Delegation of powers to formalize, register and execute the resolutions adopted by the Annual General Shareholders' Meeting, and to formalize the deposit of the annual financial statements.

RIGHT TO INFORMATION

Subsequent to this announcement, free copies of the documents to be submitted for the approval at the Annual General Shareholders' Meeting will be placed at the shareholder's disposal. These documents are the following:

- a) The Annual Accounts and Management Reports for fiscal 1996, on both Telefónica de España, S.A. and the Consolidated Group, as stated in point. I of the Agenda.
- b) The Auditors' Report on the Annual Accounts and the Management Reports as mentioned in the previous paragraph.
- c) The reports issued by the Board of Directors and the Auditors, regarding the proposals for the fixed income securities convertible into Company shares, as referred to in points V and VI of the Agenda.

MEETING AT THE SECOND CALL

Should no public announcement be made otherwise, the Meeting will take place on second call, on the day, place and time mentioned above.

Madrid, February 26th, 1997

THE SECRETARY OF THE BOARD OF DIRECTORS JAVIER REVUELTA DEL PERAL

As policymakers seek ways to improve air quality and limit the output of greenhouse gases, compressed natural FUELS FOR gas (CNG) is gain ing increasing support as an alternative to petrol and diesel particularly for larger vehicles

operating in polluted cities. There are more than 1m CNG vehicles operating worldwide an increase of about 50 per cent over the past five years. Argentina has the largest fleet, and vehicle numbers there have risen by more than 200 per cent since 1992, to 400,000. Italy has 300,000 vehicles using CNG, Russia more than 200,000 and New Zealand 45,000. The US, a late starter, has

about 55,000. Vehicles are either purposebuilt to run on CNG or conversions - petrol or diesel engines can be adapted but the conversion of petrol engines is more straightforward. The essential changes required are the addition of one or more pressurised tanks for CNG storage, additional fuel lines for the gaseous fuel and a gaseous fuel mixer in the engine.

Tom Corman, general manager of British Gas's natural gas vehicle (NGV) division, says there are still some technical drawbacks in using CNG, but none of them are "show-

The main disadvantage of CNG, compared with petrol, is that fuel tanks must be larger and stronger to contain the fuel safely, compressed to 3,000psi. Consequently, there is a weight penalty and the vehicle's range is typically 20 per cent below that of a conventional vehicle.

On the other hand, gas compression and refuelling technology is well-established and filling up with CNG takes only a little longer than petrol. Also, the CNG industry has a good safety record: the gas rises in an accident rather than "pooling" like gasoline, diesel or LPG, and the strength of the reinforced fuel tanks increases the overall robustness of vehicles.

CNG's critical advantage over gasoline and diesel may be the potential it offers for improving vehicle emissions. Recent tests by Rover showed that NGVs can reduce photochemical smog by up to 81 per cent, producing less carbon monoxide, hydrocarbons and nitrous oxides.

Air toxins like benzene which is a carcinogen - can be virtually eliminated along with most particulates and acidforming sulphur oxides.

No stopping the CNG show

For larger vehicles operating in polluted cities, this alternative fuel is gaining ground, writes Neil Wallis



Fuel for thought: Hampshire's gas powered buses have been popular despite a few testiting problems

some unburnt methane to escape from the exhaust pipe, their contribution to global warming is lar with the drivers and the still reckoned to be less than traditional vehicles because other greenhouse gas emissions are so much lower. Methane catalysts, which are being developed, are expected to cut emissions fur-

Ian Phillips, managing director built to run on CNG. of Southampton Citybus, which has been running 16 Dennis Dart buses on CNG since June last year, is satisfied with the vehicles' performance so far:

very pleased. The buses are popuengines are quieter.

The Southampton project is one of the largest under way in Britain, supported by grants from the European Commission and the Department of Transport. Ten of the vehicles were purpose-

Increasing demand is encouraging motor manufacturers to market dedicated CNG vehicles and many now have one or more "We've had a few teething prob- from passenger cars to heavy often cheaper, it can prove to be

lems but, on the whole, we're trucks and buses. Chrysler, Volvo, Mercedes, BMW, Vauxhall and Iveco-Ford are among companies active in the field.

Honda recently launched CNG version of the Civic which it claims is "the cleanest internal combustion engine on the planet", designed to meet Calif-ornia's Ultra Low Emission Vehicle (ULEV) standard.

Vehicles designed specifically for CNG tend to offer performance and emissions advantages compared with petrol and diesel models commercially available, conversions. While conversion is

PG is best of the rest

ther gases or products based on them are also being used or tested as alternative fuels for vehicles. The most well known, liquefied petroleum gas (LPG), is used by more than 1m vehicles worldwide, many of them in the

LPG consists mainly of propane and butane and is a by-product from the refining of crude oil and natural gas. Its main advantage is its high energy content and its cost relative to petrol and

LPG can also be stored in smaller, lighter tanks than CNG, but it provides fewer air-quality benefits Although CNG vehicles allow and is delivered by tanker rather than by pipeline.

A less established alternative is liquefied natural gas. There are about 1,000 LNG vehicles in operation worldwide, mainly in the US.

According to Jon Ostle, distribution engineering manager for BOC Gases, LNG can be stored in smaller, vacuum-insulated fuel tanks to maintain the low temperatures required. But LNG can suffer some cost and handling problems compared with the more established alternatives.

Adsorbed natural gas (ANG) has been used as a fuel in a few prototype vehicles. The gas is so-called because it is attracted to a porous solid, such as coconut-based carbon, which enables more efficient and flexible starage.

a faise economy. New Zealand, for example, had a booming NGV industry in the early 1980s, and CNG reached nearly 10 per cent of total transport fuel demand.

Stephen Elder, manager of the Fuels Research Unit at Auckland University, says poor vehicle conversions were partly to blame for the industry's subsequent

Government attitudes can also influence the growth, or otherwise, of NGV use. In the UK, goverroment policy is clearly moving in favour of CNG, says Fred Parker, executive director of the Natural Gas Vehicle Association.

There have been cuts in excise duty on gaseous fuels of 15 per cent and 25 per cent in the past two budgets, while the government remains committed to increasing the duty on gasoline and diesel by 5 per cent a year in real terms.

The latest budget concession helped encourage BOC Distribution Services to order 10 more NGV vehicles last December, making a total fleet of 12.

The new vehicles, being built by ERF with Varity Perkins engines, will be part of a secondary distribution system for Marks and Spencer's central London stores, helping to reduce emission levels.

However, tax incentives are not yet enough on their own to make CNG vehicles commercially viable. Prices for dedicated NGVs are higher than for equivalent petrol vehicles, with the premium ranging from more than £2,500 for a car, to about £20,000 for a bus. Higher NGV production runs may halve this disparity, but there will continue to be a price premium. Phillips reckons the differential would have to come down to about £10,000 for Southampton Citybus to find NGVs viable at current tax rates.

The BOC contract was partly funded by the Energy Saving Trust, an independent company jointly owned by the UK government and energy suppliers, which has £6.3m of government money to help remove barriers to a sustainable market for alternative fuel vehicles.

Jonathan Murray, the trust's transport programme manager, says that the near-term prospects for CNG look favourable.

There are similarities between CNG and hydrogen in terms of storage requirements. Encouraging CNG should facilitate a longer-term move to the ideal clean fuel, which is hydrogen," he

This is the second in a monthly series on new or alternative fuels. The first article appeared on February 4.

Print fabrics join the jet set

apanese followers of fashion about \$1m (£600,000), and can now buy the latest thing in sartorial elegance: fabrics printed with the same technology used by millions of computer printers worldwide.

Canon, the electronics company, and Kanebo, the clothing company, have developed the bubble jet textile printing system, which the companies say can be faster and more cost effective than traditional methods of fabric

Bubble jet printers use an trray of ink nozzles, each of which is about half the diameter of a human hair. The nozzles are heated and this causes the ink to form a bubble, which expands and shoots out of the end of the nozzle 6,000 times a second

Canon launched the first bubble jet printer in 1981, and the company estimates that printers using bubble jet or similar technologies accounted for more than 70 per cent of the 42m computer printers sold worldwide in 1996.

However, despite the success of its bubble jet printers, Canon is keen to use it in other areas, including compact disc labelling, the textile industry and consumer electronics products. One idea is to build television sets with built-in bubble jet devices for printing information pulled from the

In 1990, Canon and Kanebo formed a technical alliance to develop a bubble jet textile printer. By 1993, the basic technology had been developed. although Kanebo only recently began test-marketing the first products in selected Japanese stores. Canon estimates that \$40m to \$50m has been invested

in the system. The bubble jet textile printer is a large machine which weighs 7,000kg and stands 1.7m high. The printer has 16 printheads, arranged in two groups to permit two-way printing. The printheads house an array of 1,360 nozzles, which are fed by up to eight ink stations. The machine has a print speed of 1m a minute and can print fabric up to 1.65m wide. Each textile printer costs

Canon says it expects to sell 50 to 100 of them in the next two

The system can be used with a variety of materials, including cotton, silk, nylon, polyester and leather. Kanebo is marketing bubble-jet printed scarves and ties, and there are also plans to develop suits, shirts, bags and sportswear using the technology. The Japanese designer Issey Miyake has produced leather coats printed by the bubble jet

Takashi Salto, director of Canon's bubble jet product group, says the new system offers a number of advantages over traditional print systems: Bubble jet printing offers higher quality than rotary screen printing, and is faster than flat screen printing." Saito adds that the bubble jet system is ideal for small production

Producing a fabric, from design to sample printing, can take up to six weeks using the screen printing process, but the bubble jet system can cut this

to three days. This is because the bubble jet system is computer-controlled. Designs can be created on a PC or fed in via a scanner or CD-Rom, edited, manipulated (the system offers more than 16m colours), and then printed. Canon says bubble jet printing is also more environmentally friendly because there is no waste water or ink.

SU

But Saito admits that the system does have some drawbacks. Bubble jet textile printing cannot yet produce vivid colours and, in some cases, there is a risk of the ink rubbing off the fabric.

Although the system is cheaper than traditional systems in short runs of up to 50m, it is more expensive when used for mass production: "We aim to reduce costs by at least a half," says Saito. Despite these problems, Canon says textile companies in Germany. Switzerland and the UK have shown an interest in the

George Cole

INTERNATIONAL PEOPLE

OPTIONS & FOREX

BERKELEY FUTURES LIMITE 38 DOVER STREET, LONDON WIX 3RB TEL: 0171 629 1133 FAX: 0171 495 0022

0171 649 3030 Futures Options FX **24 Hrs** UNION CAL Ltd.



FOREXIA FAX S £ Dm an sta regulated CC. With 12 years experience of foreign exchange forecasting

DAILY FOREIGN EXCHANGE FORECASTS AND RECOMMENDATIONS Tel: +44 181 948 8316 FAX: -44 181 948 8469 FOREXIA FAX - by using handset on your fax machine dial 444 181 332 7426

BRIDGE FUTURES MARKET DATAKIT FROM \$570 Total 76 Flort Street, Lordon, EC4Y 1HY. +44 (0) 171 842 4083



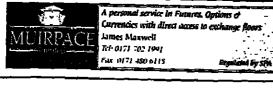


REUTERS

mini







Beal-time quotes - Forex data Signal Over 100,000 issues - News headines → U.S. & lat'i data → As low as \$9/day! For info call 44+171 626 6101 ext. 3a



Rupert joins board of GFSA

Johann Rupert, chairman of Rembrandt, the South African tobacco, liquor, mining and industrial group controlled by his family, has joined the board of Gold Fields of South Africa.

A favourite stock among speculators predicting changes in the capital structure of the troubled mining house. Gold Fields is effectively controlled by Rembrandt, which owns 40 per cent of its parent company, GFSA Holdings.

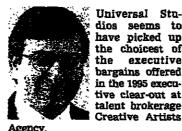
But until now the management have been insulated from calls to restructure the group by a labyrinthine capital structure, which vests another 40 per cent of GFSA Holdings in a management-controlled company.

The arrangement dates from 1988, and was sanctioned by the Rupert family, who say it protected Gold Fields against the prospect of a hostile takeover by Anglo American. But as Gold Fields has wrestled with labour unrest and productivity problems in recent years, Rupert has spoken out in favour of reforms.

Rupert says he will not give up control of Gold Fields, and that he does not anticipate a bold unbundling of its diverse subsidiaries. But despite these claims, speculation has propelled Gold Fields shares to

join the board will do nothing to dampen expectations. Mark Ashurst, Johannesburg

Universal goes global with Climan



dios seems to have picked up the choicest of the executive bargains offered in the 1995 executive clear-out at talent brokerage Creative Artists

While Walt Disney is still eating dust in the wake of the whirlwind visit of CAA founder Michael Ovitz, one of his former colleague is enjoying a clear run through the upper reaches of Universal man-

Sanford Climan (above), who joined the Seagram-owned group (then known as MCA) in late 1995. has been put in charge of all international business development. In an industry where "going global" is suddenly fashionable, this is no mean move for a man previously better known Kevin Costner's han-

dler. But as Ron Meyer, Universal's chief operating officer, knows,

the highest prospective p/e multi- there is more to Climan than masple in the sector. His decision to saging star's egos. The two worked together at CAA for almost 10 years before the managerial depar-

> In the past year Climan has been in the thick of developing international television channel services and tying up film and TV programming deals with Germany's Kirch-Gruppe, CLF/Ufa's RTL 7 service in Poland, and Canal+ in France.

Last November, he hired as his right-hand man Brian McGrath, former chief executive of ISL Marketing. ISL is the sports event specialist which packaged and branded the 1996 European soccer championships in Britain, and which has been credited with saving the International Olympics Committee from the financial

Christopher Parkes, Los Angeles

Chief exec for Deutsche BA

Carl Michel, a 33-year-old former management consultant, is to become chief executive of Deutsche BA, British Airways' German subsidiary.
Michel, who holds both British

and Austrian citizenship, will take over on April 1, the day the European Union aviation market is resigned last year from the board opened to full competition. From

operate domestic services in other Schmidheiny's office said that hi member states. Deutsche BA is already competing with Lufthansa, the national carrier, in the German domestic market.

Michel was educated at Oxford and Harvard, where he received an MBA. He then spent eight years at McKinsey before joining Deutsche BA in 1995 as head of business development. He succeeds Wolfgang Grund, who becomes chairman of the Deutsche BA supervi-

sory board. Michael Skapinker, London

Schmidheiny retires from ABB's board

Stephan Schmidheiny's decision to retire from the board of ABB, the international engineering conglomerate, should make life easier for him, if not for ABB. Schmidheiny, 49, a Swiss billionaire and ABB's biggest Swiss shareholder, wants to spend more time on his mission to raise the environmental awareness of big business.

His departure comes as ABB is facing mounting environmental criticism for its involvement in the construction of Malaysia's Bakun dam, the biggest project in its his-tory. Schmidheiny, who has been an ABB director for 16 years, of UBS, Switzerland's biggest bank, then, EU airlines will be free to but remains a director of Nestlé.

resignation was not connected wit the row over the Bakun dam and still thought that "ABB was a ver good company".

Nevertheless, his departure wi make life more difficult for Göra Lindahl, who has just taken ow as ABB's chief executive and ba been closely associated with will ning the Bakun contract. Schm dheiny, a prominent member (ABB's environmental advisor board, would have preferred to se Malaysia use ABB's expertise ! cut energy losses in electricit transmission rather than assist i the building of more generativ capacity.

Tessa Tennant, head of ethic investment at Britain's Nation: Provident Institution, says the Schmidheiny, who invented it idea of Eco-efficiency, had mad "an incredible contribution to bus ness thinking on the environ ment." NPI does not hold any AB shares in its ethical funds.

Schmidheiny will be replaced c the ABB Board by Edwin Some 64, the chief executive of ABB Swiss operation, now retiring. Ge hard Cromme, chief executive Fried. Krupp AG Hoesch-Krupp. German steel and heavy engine ing company, replaces Helm Maucher, 70, Nestlé's German-bot chairman, who has reached ABB statutory retirement age. William Hall Zurich

ON THE MOVE

■ William Anderson, chief financial officer at Bell Cablemedia in London, is returning to Canada to take up the post of senior vice-president finance of BCE, the parent company and Canada's biggest telecommunications group. Ivan Failon has been appointed chief executive of INDEPENDENT NEWSPAPER HOLDINGS LTD, in South Africa. He is currently deputy chief executive and editorial director.

Jim Woods, who recently retired as chairman of Baker Hughes, has been appointed to the board of UNION TEXAS PETROLEUM HOLDINGS. He replaces Saul Fox. of Kohlberg Kravis Roberts & Co, who resigned in January.

■ DATAWORKS CORPORATION has appointed Robert Brandel to the newly created position of chief operating officer; he was previously vice-president and general manager of DataWorks' DCD | company's North American

division. SBC WARBURG in the US has appointed Carlos Mederios as senior Latin American economist. He joins after nine years at the International Monetary Fund, where he was most recently senior economist for Brazil.

■ Executive vice-president Lars Ohlsson-Letjon will resign his position as chief financial officer of SCANIA. at the annual general meeting on April 24. Bertil Persson, currently senior vice-president of finance, will become finance director. Peter Harnwall has been appointed senior vice-president, accounting and corporate control.

■ Frederick Mancheski has retired as chairman and chief executive of ECHLIN. the US vehicle parts company. A new chief executive officer is expected to be chosen soon but until then Trevor Jones has been elected chairman and interim chief executive, Larry Pavey has been appointed president of the

aftermarket operations. ■ Allen Huie has been appointed by SALOMON BROTHERS ASIA PACIFIC as managing director and head of Greater China Investment Banking. ■ COMPAQ COMPUTER has

Andersen Consulting, the computer services and integration company, in Tokyo. Pujimoto reports to Dick Snyder, general manager of worldwide sales for Compaq. He succeeds Masaru Murai, who becomes chairman of the unit, ■ ULSTER BANK, the Irish subsidiary of National Westminster Bank, has appointed Martin Wilson as deputy group chief executive. He will take over as chief executive when the incumbent, Ronnie Kells,

retires in 1998.

■ Dutch electronics

company PHILIPS will

appoint Louis Schweitzer as

a member of the supervisory

board, effective March 21.

■ Graham Mackay has been

former African National Congress Secretary-General Cyril Ramaphosa becomes a non-executive director. ■ Rudi Schwah has been appointed Kuniaki Fujimoto appointed the new head of president of its Japanese AIRBALTIC, the national unit. He was formerly Latvian airline. He joins managing director of from Scandinavian Airlines System and takes over from Kjell Fredheim, who was also an SAS executive. ■ TAISEI Corporation has

appointed executive vice-president Osamu Hirashima as president, replacing Hyozo Yamamoto. who will become chairman, with effect from April 1. ■ Robert Brust has become chief financial officer and senior vice-president of UNISYS CORP. He was previously vice-president of General Electric's plastics

> JOHN GOVETT & CO. part of the asset management division of Allied Irish Banks, has appointed Kelth Mitchell as managing director of its US operations. He was most

appointed group managing

AFRICAN BREWERIES:

director of SOUTH

recently chief executive of Delaware Distributors, a subsidiary of Delaware Management Holdings. ■ Karl-Heinz Köpfle has been appointed the new managing director of LUFTHANSA Cityline. He takes over from Karl-Friedrich Rausch, who is moving to the management board of the Lufthansa Passenger Airline with responsibility for products and services.

Robert Best, senior vice-president, regulated businesses, at Consolidated Natural Gas, is leaving to become chairman, president and chief executive of ATMOS ENERGY CORP. He succeeds Charles Vaughan, who is retiring but will continue as an Atmos director.

■ Eric Topol has joined the board of directors of RHONE-POULENC RORER ■ Dominique Bazy has been appointed by ALLIANZ AG HOLDING as chairman of its French companies. He was formerly senior executive vice-president of Axa-UAP. Prior to the merger of AXA

and Cie UAP, he was Cie UAP's executive vice-president and head of French operations. ■ Belgium's RREDIETBAN has appointed Daniel Couvreur to head its corporate and investmen banking unit. Couvreur, wh will take up the position on April 24, will replace Luc Philips, who in turn will be

Joschim von Roy has resigned as head of BRISTOL-MYERS SQUIBB'S European pharmaceuticals operations. He is replaced b Samuel Hamad, who was head of the company's intercontinental operations, Donald Hayden replaces

nominated to the board of

International appointments

Hamad.

Please fax information on new appointments on and retirements on +44 171 873 3926, marked for International People

Set fax to fine

"The Financial Times is not only, by far, the most comprehensive financial newspaper, but it is also one of the very few newspapers today in which accuracy is still successfully achieved"

LORD YOUNGER OF PRESTWICK Chairman
The Royal Bank of Scotland plc

Read by over a million people in over 140 countries worldwide.

INTERNATIONAL CAPITAL MARKETS

European high-yielders outperform

GOVERNMENT BONDS

By Samer Iskandar in London and John Authers in New York

Europe's high-yielding bond remained weak. markets recovered part of Friday's losses. Italian BTPs and Spanish bonos outperwith traders increasingly convinced the Federal points to 194 points. Reserve might soon raise

interest rates. in London, June futures on 10-year BTPs rose 0.55 to 127.80, as the lira recovered the D-Mark, from a low of

percentage point fall was the treaty allows for some overdone and the correction flexibility." was healthy. However, they warned that BTPs' recovery was fragile and sentiment

in the cash bond market, 10-year benchmark BTPs closed 0.20 higher, while Gerformed German bunds, while man bunds fell by the same US Treasury prices fell as a amount. As a result, BTPs' result of a shift in sentiment, 10-year yield spread over bunds tightened by 10 basis

"There is a widespread treaty's wording. misunderstanding about the "The markets t Maastricht treaty's criteria and Financial Centre, an deficit criterion that it does independent research centre not have," Prof Scobie

According to Prof Scobie, Italy has achieved the best results in Europe in containing its budget deficit, which is expected to fall to 3.8 per cent of GDP this year, from an estimated 6.5 per cent in 1996. While the financial markets seem to believe 3.8 per cent is too high for Emu participation, Prof Scobie said it conformed with the

"The markets take it for granted that the [60 per cent for qualifying for Emu," said of GDP) debt criterion will Prof Hannah Scobie, director be interpreted flexibly, but to just under L1,000 against of the European Economic attribute a rigidity to the

than the debt ratio."

futures on Spanish bonos morning around the 6.84 per rose 0.43 to settle at 112.12, cent level. The yield on the while in the cash market the two-year note also shifted 10-year spread of bonos over bunds tightened by four However, traders warned that the Spanish market span, Fed chairman, was the would remain vulnerable to Emu jitters.

Yields on US Treasury bonds rose heavily in morning trading as the conviction spread among dealers that rolls for February. the Federal Reserve is likely to tighten monetary policy

ties, with the benchmark survey for February the morning ended.

New international bond issues

criterion is more flexible 1/2 to 97 is, to yield as much turing sector was expanding. as 6.842 per cent by midday. It also saw a strong increas In Barcelona, March It had spent most of the in its prices index, generally

upwards, to 6.111 per cent. The prospect of tomorbasis points to 141 points. row's further session of testi- for signs that heat was being mony from Mr Alan Greenmain damper on spirits, and there were also signs of nervousness about Friday's employment report, which is slightly more than expected expected to show strong pay- in January.

Prices fell for all maturi- Purchasing Management's sold, only to fall further as

Traders said Friday's 2.3 in London. "The wording of added. "In fact, the deficit 30-year long bond dropping suggested that the manufacseen as a leading indicator of

> This did not help sentiment in the bond market, where traders were looking removed from the economy. Before the market opened, they had received data showing personal income and expenditures had increased

Prices picked up after the But yesterday's batch of release of the data, with economic news did not help. some dealers reporting that The National Association of the market had been over-

CAPITAL MARKETS DIGEST

Smooth start for gilt repo market

The first day of the Bank of England's daily gift-sdeed securities repurchase operation yesterday went without problems, according to the Bank and market sources. However, the change to the new system of managing interest rates and providing liquidity to the money markets appears to have attracted few new counterparties

2.5

Mr Peter Andrews, head of the Bank of England's glit-edged and money markets division, said the debut of the gilt repo – short-term sale and repurchase agreements, using bonds as collateral for funds raised on

the money markets - as a supplement to buying bank bills, went smoothly. Mr Philip Shaw, chief economist at Union Discount, also described the day's operations as "a very smooth start".

However, other sources said the Bank dealt with about 24 institutions - a similar number to the discount houses and gilt-edged marketmakers it dealt with previously. "If the Bank's intention was to widen the market, then it hasn't succeeded yet. But it is early days," one repo analyst said. The Bank said it would not comment on the number of counterparties.

The Bank of England's task was helped by the forecast of a small shortage of £650m in the money markets. It provided £30m of late repo assistance to the discount houses, and did not need to operate in the late facility for settlement hanks.

Lebanon ratings differ widely

By obtaining contrasting credit ratings from four different international rating agencies, Lebanon has almost achieved its initial goal, which was to avoid being rated altogether, according to analysts.

"The grades are so widely spread across the rating spectrum that investors are bound to get somewhat confused," said Mr Walid Kaba, managing director of Medinvest Associates, a London-based financial consultancy firm specialised in the Middle East. "As a result, the publication of the ratings is unlikely to change investors' perception of Lebanon."

Lebanese officials have always felt they could raise cheaper financing on the international markets without a credit rating, because most existing Lebanese eurobonds are held by expatriate Lebanese investors, who require a much smaller risk premium than international investors would impose on similarly-rated securities.

"The ratings are just one factor in investors' views." said Mr Mohamad Chatah, vice-governor of the Lebanese central bank. "Most investors know the Lebanese case reasonably well."

The ratings, which were announced last Wednesday, range from BBB-, denoting investment grade, to BI, reflecting high risk. "There is a bright and a bleak scenario and nothing in between," said a senior government official. "This is why we know the results of the ratings are along the lines we expected.' Samer Iskandar and Roula Khalaf

— Low coupon yield — • Medium coupon yield • — High coupon yield ← Mar 3 Feb 28 Yr. ago Mar 3 Feb 28 Yr. ago Mar 3 Feb 28 Yr. ago

6.94 6.98 7.23 7.01 7.03 7.27 7.05 7.08 7.96

UK Indices

Debut from Oman oversubscribed

INTERNATIONAL BONDS

Shrugging off a further slide in emerging-market debt debut in the international bond market yesterday with

\$225m of five-year paper. Even after the offering was increased from the \$150m initially planned, it perceived safety of D-Mark was more than twice subscribed. lead manager tainty over European mone-J.P. Morgan said. Nearly half was placed in Europe, 23 per cent went to US accounts, 17 per cent to Asia and 13 per cent to the Middle East, a syndicate official said.

"Despite the turbulence in markets, a syndicate man-US Treasuries and the ager said. emerging markets, we lost next to no orders," he said.

spread of 73 basis points over Treasuries, which nar-

rowed slightly to 72 points. Another benchmark deal surfaced in the D-Mark margovernment agency, issued DM2bn of 10-year bonds.

The deal received a warm reception from institutional investors attracted by the assets amid continued uncertary union. Moreover, many investors were shifting back to top-quality assets after the recent slide in high-yield- Stanley, at a rumoured ing bond prices, both in spread of 17 to 18 basis Europe and the emerging points over Treasuries.

issue, the bonds, which are mulated debt of the coun-"The issue represents a rare zero risk-weighted, were tar- try's social security system, opportunity as it is the geted at a wide international is set to issue \$100 of five-

have an international house. Merrill Lynch, acting as joint lead with a German bank, Dresdner-Kleinwort Benson. More than one-quarter of the deal went to Asian prices, the Sultanate of ket, where Kreditanstalt für investors, with the remain-Oman made a successful Wiederaufbau, the German der placed in France, the Netherlands, the Benelux countries, the UK and Italy.

Despite nervousness in the US Treasuries market ahead of Friday's jobs data, two jumbo issues are expected to hit the market today. The Inter-American Development Bank is due to launch \$1bn of 10-year global bonds via CSFB and Morgan

Cades. the agency set up a year ago by the French gov-Although it is a domestic erament to pay off the accu-

E US DOLLARS L-Bandon
Irish Permanent Tray, 1(a)t
Irish Permanent Tray, 2t
Wat Diancy Codi
IBM International Finance
Subsense of Ornalin
Subsense B. Capital Marketskii W. YEN European Inviment Bank(c)* N STERLING Federal Nati Mage Associa)*
BOC Group(s) III ITALIAN LIRE Abbey Nati Tray Services: E CANADIAN DOLLARS Bayerische Landesbank Hembros Benk Final terms, non-callable unless stated. Yield spread +Unlisted. ‡ Floating-rate note. #Semi-annual coupon on pro rata basis in Mar CO. Average Fig. 4 yrs. a1) 3 Libor +121/2bp, max 81/2%. I) Over interpolated yield. I) Long 1st coupon. s) Short 1st coupon.

Deutsche Morgan Grenfell and Goldman Sachs.

Germany's L-Bank issued via Yamaichi, aimed at Japanese investors. There were

points over Treasuries, via its first issue since its \$2.6bn can own, which spurred bonds. Both deals saw insti-\$400m of three-year bonds tutional demand in addition to retail buying.

bonds due June 2002, the ing continuing Japanese test maturity Pep funds demand for sterling assets.

global foray a year ago, and strong interest, lead man-IBM with \$250m of two-year ager HSBC Markets said. There was also a £250m fouryear issue for the Federal National Mortgage Associa-BOC Group issued £150m tion via Daiwa Europe, feed-

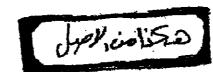
2.20

Mon Day's Fri Accrued Mar 3 change % Feb 28 interest

	year bonds expected to be also two retail deals in dol- priced at around 5 basis lars: \$300m for Walt Disney.	of bonds due June 2002, the ing continuing shortest maturity Pep funds demand for ster.
WORLD BOND PRICES		
BENCHMARK GOVERNMENT BONDS	BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%	FTSE Actuaries Govt. Securities
Red Day's Week Month Coupon Date Price change Yield ago ago	Strike CALLS PUTS Price Apr May Jun Sep Apr May Jun Sep	Price Indices Mon Day's Fri Accrue UK GBbs. Mer 3 change % Feb 28 interes
Australis 6.750 11/06 92.5902 ~1.030 7.85 7.55 7.32	10250 0.57 0.91 1.13 1.21 0.52 0.86 1.08 2.01	1 Up to 5 years (19) 120.90 0.11 120.77 2.20
Austria 5.625 01/07 100,5100 ~0.170 5.56 5.54 5.78 Belgium 6.250 03/07 104,3600 ~0.250 5.67 5.68 5.69	10300 0.34 0.66 0.87 1.01 0.79 1.11 1.32 2.31 10350 0.18 0.46 0.65 0.84 1.13 1.41 1.60 2.64	2 5-15 years (21) 151.94 0.05 151.87 2.54
Canada 7.000 12/06 104.1800 +0.080 6.42 6.29 6.55	Est. vol. potal, Calla 14718 Puta 16064. Previous day's open int., Calls 158217 Puts 161586	3 Over 15 years (5) 174.02 0.14 173.77 4.16 4 Irredeemables (5) 201.50 -0.43 202.38 3.86
Denmark 8.000 03/08 111,8400 -0.160 6.28 6.23 6.34 France ETAN 5,500 10/01 104,5727 -0.170 4.40 4.36 4.44	Italy	.5 Ali stocks (51) 145.02 0.08 145.90 2.75
OAT 8.500 10/06 108.3000 -0.420 5.38 5.36 5.56 Germany Bund 6.000 01/07 103.3000 -0.240 5.55 5.55 5.74	II NOTIONAL ITALIAN GOVT, BOND (BTP) FUTURES	index-listed
Iroland 8.000 08/06 110,3400 -0.290 8.50 6.40 6.52	(LIFFE) Lira 200m 100ths of 100%	6 Up to 5 years (2) 206.20 -0.01 206.23 2.51
buty 7.750 11/06 102.5700 +0.160 7.37† 7.08 7.11 Japan No 143 6.360 06/01 121.3119 -0.050 1.37 1.37 1.35	Open Sett price Change High Low Est vol Open int.	7 Over 5 years (10) 198.51 -0.02 198.54 1.00
No 182 3.000 09/05 104.1985 -0.040 2.41 2.42 2.39	Mer 127.95 128.00 +0.50 128.14 126.95 62930 50584 Jun 127.35 127.80 +0.55 127.83 126.70 63259 64798	8 All stacks (12) 198.25 -0.02 198.28 1.15 Average gross redsmption yields are shown above. Coupon Bands: Low:
Natherlands 5.750 01/07 102.1500 -0.210 5.34 5.32 5.59 Portugal 9.500 02/08 118.5000 - 6.70 6.85 6.82	III (TALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LEFFE) Lin200m 100ths of 100%	
Spoin 7.350 03/07 102.2600 -0.230 6.98 6.73 6.83 Sweden 8.000 08/07 108,1917 -0.620 6.87 6.65 6.65	Strike CALLS PUTS	FT Fixed Interest Indices
UK Gilts 8.000 12/00 108-23 -2/32 8.86 6.73 6.87	Price Jun Sep Jun Sep	Mer 3 Feb 28 Feb 27 Feb 28 Feb 25 Yr ag
7,500 12/06 101-25 -10/32 7,24 7,15 7,32 9,000 10/08 112-29 -12/32 7,33 7,25 7,41	12750 2.19 2.96 1.89 2.83 12900 1.90 2.71 2.10 3.06	Govt. Secs. (UK) 95.84 96.12 96.54 96.04 96.40 93.90
US Treesury 8.250 02/07 97-19 -3/32 6.58 6.39 6.52 6.825 02/27 97-10 -10/32 6.84 6.67 8.80	12850 1.63 2.45 2.83 3.30	Fixed interest 119.64 119.67 119.67 119.78 119.98 112.14 O FIXE international Ltd 1897. All rights reserved. " for 1996/97. Government
BCU (French Govi) 7.000 04/06 107.3700 -0.340 5.98 5.77 5.89	Est. vol. total, Calls 2410 Puta 2720. Provious day's open int., Calls 60051 Puta 58897	High since compliation: 135.87 (21/01/94), low 50.53 (05/01/75). Basis 100: 0
Landon closing, "New York mid-day . "Vields: Local market standard. † Grass (including withholding fair at 12.5 per cent psychie by nonreadenta)	Spain	
Prices: US, UK in 32nds, others in decimal Source: MuS interretional	NOTIONAL SPANISH BOND FUTURES (METT)	
US INTEREST RATES	Open Sett price Change High Low Est vol. Open Int.	
Labout Treasury Bills and Bond Yields	Mar 111.97 111.89 +0.43 112.45 111.30 102,207 68,483 Jun 112.40 112.00 +0.37 112.55 111.76 5,047 19,979	FT/ISMA INTERNATIONAL BOND SERVIC
Orne mentiti	UK	Listed are the latest international bonds for which there is an adequate each
Broker loan rate 7 Three month 5.24 Fire year	NOTIONAL UK GILT FUTURES (LIFFET \$50,000 32nds of 100%	Issued Bid Offer Chg Yeld
FeeL funds at intervention - One year	Open Sett price Change High Low Est. vol Open int. Mer 112-17 112-16 +0-05 112-18 112-00 57292 107405	U.S. DOLLAR STRAIGHTS Spain 74 Abby Nat Tressury 82 03
	Mer 112-17 112-16 +0-05 112-18 112-00 57292 107405 Jun 112-01 112-00 +0-05 112-02 111-18 56902 164521	ABN Armo Bank 74, 05 1000 1014, 1015, -4, 7.17 World Bank
	LONG GRT PUTURES OPTIONS (LIFFE) 250,000 64ths of 100%	Attican Dev Bk 7 ³ g 25 500 99 ¹ 2 100 -1 ₄ 7.42 World Beni Alberts Province 7 ⁵ g 98 1000 102 102 ¹ 4, -1 ₆ 6.29 World Beni
BOND FUTURES AND OPTIONS	Strike CALLS PUTS Price Apr May Jun Sep Apr May Jun Sep	Asian Dev Bank 64, 05 750 95% 97 -1, 6.84 Austria 69, 00 400 1051x 1053 6.45 SRRSS FR
	112 0-48 1-23 1-47 2-16 0-48 1-23 1-47 2-46	Baden-Wuertt L-Fin 81 ₈ 00 1000 1041 ₈ 1043 ₈ -1 ₈ 6.51 Asian Dev
	113	Bank Ned Gennecram? 99 1000 1013 1013 1013 6.36 Denneck 4
France		Bank Ned Germenters 7 99
France NOTIONAL FRENCH BOND FUTURES (MATIF) FF-501,000	114 0-08 0-36 0-57 1-29 2-08 2-36 2-57 3-59	Bank Not Germenters 7 99 — 1000 91% 91% + 9,15 Austin 4/2 Bank Not Germenters 7 99 — 1000 101% 101% 101% Bayer Vereiretisk 8% 00 — 500 104% 104% 6.51 598 3%, 99 Belgium 5/2 02 — 1000 83% 94 + 6.89 89 64% tot British Columbia 7% 02 — 500 104% 104% + 2, 8,78 Finland 7%
FIRENCE MOTIONAL FRENCH BOND FUTURES (MATIF) FF:500,000 Open Sett price Change High Low Est, vol. Open inc.	114 0-09 0-36 0-57 1-29 2-06 2-56 2-57 3-59 Est. vol. total. Cells 3521 Puts 2953. Previous day's open int., Cells 65236 Puts 23545	Bank Not Germenters 7 99 — 1000 101½ 101½ 91½ 3,15 Austria 4/2 Bank Not Germenters 7 99 — 1000 101½ 101½ 6.55 Denmark 10 Bayer Vereireith 8½ 00 — 500 104½ 104½ 6.57 EB 3½ 99 Bolgium 5½ 02 — 1000 83½ 94 ½ 6.59 EB 6½ 04 British Columbia 7½ 02 — 500 104½ 104½ ½ 6.73 Firland 7½ British Gas 0 21 — 1500 15½ 15½ ½ 7.82 HELABA F
NOTIONAL FRENCH BOND FUTURES (MATIF) FF1500,000 Open Sett price Change High Low Est. vol. Open Inc. Mar 132,22 131.96 -0.44 132,30 131,88 97,608 123,303	114 0-09 0-38 0-57 1-29 2-06 2-36 2-57 3-59 Est vol. total. Cells 3521 Puts 2363, Provious day's open int., Cells 66228 Puts 23845 Ect: Ect: Color BOND FUTURES (MATIF) ECU100.000 Open Sett price Change High Low Est. vol. Open Int.	Bank Hed Genneerten ? 99 1000 1013 1015 6.36 Denmark 49 Bank Hed Genneerten ? 99 1000 1013 1015 6.36 Denmark 4 Bank Hed Genneerten ? 99 1000 1013 1015 6.36 EB 53, 93 Beigium 512 03 1000 834 941 6.56 EB 63, 94 Bright Columbia 74 02 500 1043 1043 115 6.78 Friend 74 Bright Gas 0.21 1500 974 981 6.32 beleaf 75 Create 61 05 05 500 973 984 6.94 beter American Fig. 65 500 500 973 984 6.94 beter American Fig. 65 6.95 6.94 beter American Fig. 65 6.95 6.95 6.95 6.95 6.95 6.95 6.95
MOTIONAL FRENCH BOND FUTURES (MATIF) FF:500,000 Open Sett price Change High Low Est. vol. Open inc.	114 0-09 0-38 0-57 1-29 2-06 2-38 2-57 3-59 Est. vol. total. Cells 3621 Puls 2963. Previous day's open int., Cells 66228 Puls 29845 Ecst Ecst Schol Fitturies (MATIF) ECU100,000 Open Sett prior Change High Low Est. vol. Open int. Mar 97.16 97.10 -0.32 97.32 96.44 2,842 8,833	Bank Hed Genteering 7 99 1000 101½ 101½ 6.36 Denmark 4
NOTIONAL FRENCH BOND FUTURES (MATIF) FF:500,000	114 0-09 0-38 0-57 1-29 2-06 2-36 2-57 3-59 Est vol. total. Cells 3521 Puts 2363, Provious day's open int., Cells 66228 Puts 23845 Ecti Ecti BOND FUTURES (MATIF) ECU100.000 Open Set prior Change High Low Est. vol. Open int.	Banch Nod Germanism 7 99 1000 91% 91% 4, 9,15 Austin 4/2 Banch Nod Germanism 7 99 1000 101% 101% 105% 6,55 Denomark 6, Bayer Vereireich 8% 00 500 104% 104% 6,51 EB 3% 99 Beiglaum 5½ 02 500 104% 104% 4, 6,89 EB 6%, tot British Catumbia 7% 02 500 104% 104% 4, 6,87 Finland 7% 105 15% 15% 1, 7,82 HELABA Fi Carredia 6% 05 500 97% 98% 50% 15% 105% 105% 105% 105% 105% 105%
NOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	114 0-09 0-38 0-57 1-29 2-06 2-36 2-57 3-59 Est vol. total. Cells 3021 Puts 2383. Previous day's open int., Cells 60238 Puts 23845 Ects Ects Copen Sett price Change High Low Est. vol. Open int. Mar 97.16 97.10 -0.32 97.32 96.44 2,642 0,833 Jun - 95.72 -0.32 - 305	Bank Hed Gemeenten 7 99 1000 101½ 101½ 6.36 Denmark 4
MOTIONAL FRENCH BOND FUTURES (MATIF) FF:500,000 Open Int.	114	Bank Hed Gemeenten 7 99 1000 101½ 101½ 6.36 Denmark 4
NOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	114	Bank Not Germanism 7 99 1000 91% 91% 3,15 Austin 4/2
NOTIONAL FRENCH BOND FUTURES (MATIF) FF500,000	114	Banch Ned Germeenten 7 99 1000 91% 91% 4, 9,15 Austria 4/2 Banch Ned Germeenten 7 99 1000 101% 101% 6,55 Department 6 Bayer Vereireicht 6 9 00 500 104% 104% 6,57 BB 3 8, 99 Beigium 5 2 03 1000 B3 8, 94 1, 6,57 BB 3 8, 99 British Cannoble 7 4, 02 1000 B3 8, 94 1, 6,58 BB 6 8, 04 104% 1 104
NOTIONAL FRENCH BOND FUTURES (MATIF) FF500,000	114	Banck Ned Germanism 7 99 1000 91% 91% 4, 9,15 Austin 4/2 Banck Ned Germanism 7 99 1000 91% 91% 6,55 Denomark 6 9 1004 91% 104% 6,55 Denomark 6 9 1004 91% 104% 6,55 Denomark 6 9 1004 91% 104% 6,55 Denomark 6 9 1004 91% 91% 6,57 Denomark 6 9 100 91% 91% 104% 6,57 Denomark 6 9 100 91% 91% 105% 6,57 Denomark 6 9 100 91% 91% 91% 91% 91% 91% 91% 91% 91% 91%
NOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000 Open Selt price Change High Low Est. vol. Open int.	114	Bencomed 74, 04
NOTIONAL FRENCH BOND FUTURES (MATIF) FF500,000	114	Banck Ned Germentiers 7 99 1000 91% 91% 4, 9,15 Austria 4/2 Banck Ned Germentiers 7 99 1000 91% 104% 6,55 Denomark 6 9, 00 104% 104% 6,55 Denomark 6 9, 00 104% 104% 6,55 Denomark 6 9, 00 104% 104% 1,9 6,57 EB 3%, 99 104% 1,9 6,57 EB 3%, 99 1
MOTIONAL FRENCH BOND FUTURES (MATIF) FF500,000	114	Bank Not Germanian 7 99 1000 97% 97% 6.55 Denomark 6 9 00 1004 9104 1004 6.57 EB 3% 99 EB 6% 00 1004 9104 1004 12 6.75 Finand 7% 1004 1004 1004 1005 1005 1005 1005 1005
NOTIONAL FRENCH BOND FUTURES (MATIF) FF:500,000	114	Banck Ned Germeartism 7 99 1000 97% 97% 9.315 Austria 42 Banck Ned Germeartism 7 99 1000 97% 97% 6.55 Denomark 6 98 000 97% 98% 104% 104% 6.55 Denomark 6 98 000 97% 98% 104% 104% 104% 104% 104% 104% 104% 104
MOTIONAL FRENCH BOND FUTURES (MATIF) FF500,000	114	Banck Ned Gerstearists 7 99 1000 973 974 9. 9.15 Austic 4/2 Banck Ned Gerstearists 7 99 1000 974 1045 6.55 Denomark 6 Bayer Vereireitht 6 9 00 500 1045 1045 6.55 Denomark 6 Baigle of Section 5 9 00 1000 984 94 4 6.65 BB 64 04 00 British Gan 0 21 1500 155 156 14 7.82 HELABA FI Carreade 6 9 05 1500 974 98 6.65 Lostead 7 6 Critism 6 9 04 1000 984 985 6.57 Caude 1 16 16 16 16 16 16 16 16 16 16 16 16 1
NOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	114	Bank Ned Germeenten 7 99 1000 91% 91% 5.35 Austei 4/2 Bank Ned Germeenten 7 99 1000 91% 101% 6.35 Denomark 6 Bagior Vereireick 8% 00 500 104% 104% 6.57 EB 3% 99 Beiglum 5½ 02 1000 83% 94 4 6.65 EB 6% 04 British Calumbia 7% 02 500 104% 104% 4 6.65 EB 6% 04 British Gan 0 21 1500 15% 15% 14 7.82 HELABA F Charry Kong Fin 5½ 95 500 97% 9% 6.98 losten 7% Charry Kong Fin 5½ 96 500 97% 9% 6.98 losten 7% Charry Kong Fin 5½ 96 500 98% 98% 6.37 Custon 6% Charry Kong Fin 5½ 98 500 98% 98% 6.37 Custon 6% Charry Kong Fin 5½ 98 500 98% 98% 6.37 Custon 6% Est Jupun Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est Jupun Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est Jupun Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 04 600 98% 98% 6.37 Custon 6% Est diagram Reilway 6% 05 600 105% 105% 105% 6.38 Beiglum 5.1 Federal Nati Mort 7.40 04 1500 105% 105% 105% 6.38 EB 65 00 105% 105% 105% 105% 6.38 EB 65 00 105% 105% 105% 105% 105% 105% 105%
NOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	114	Bencherterist 74, 04
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000 Open Selt price Change High Low Est. vol. Open int.	### 10-28	Bank Ned Genteenten? 99 1000 91% 91% 5.35 Austria 42 Bank Ned Genteenten? 79 1000 91% 101% 6.55 Denomark 6 Bank Ned Genteenten? 79 1000 91% 101% 6.55 Denomark 6 Bank Ned Genteenten? 79 1000 93% 94% 4.868 91 94% 01 91% 101% 12% 12% 7.82 HELABA F. Carredt 6% 05 1500 97% 98% 6.82 Losten? 7% 08 1.86 L
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000 Open Selt price Change High Low Est. vol. Open int.	### 10-98	Bank Ned Genteenten? 99 1000 91% 91% 5.35 Austria 42 Bank Ned Genteenten? 79 1000 91% 101% 6.55 Denomark 6 Bank Ned Genteenten? 79 1000 91% 101% 6.55 Denomark 6 Bank Ned Genteenten? 79 1000 93% 94% 4.868 91 94% 01 91% 101% 12% 12% 7.82 HELABA F. Carredt 6% 05 1500 97% 98% 6.82 Losten? 7% 08 1.86 L
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000 Open Inc.	114	Banck Ned Gersteetien? 7 99 1000 917 1017 6.35 Austria 4/2 Banck Ned Gersteetien? 7 99 1000 1017 1017 6.35 Denomark 6 Beiger Vereireicht 6 9 00 500 1047 1047 6.35 Denomark 6 Beiger Vereireicht 6 9 00 500 1047 1047 6.35 Denomark 6 Beiger Vereireicht 6 9 00 1000 834 94 6.35 Ele 64 to 1047 6.35 1047 6.35 Ele 64 to 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.35 1047 6.37 Carteste 6 9 00 994 992 1057 6.35 Carteste 6 9 00 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 994 995 1057 6.35 Carteste 6 9 00 995 995 994 995 1057 6.35 Carteste 6 9 00 995 995 994 995 1057 6.35 Carteste 6 9 00 995 995 995 1057 6.35 Carteste 6 9 00 995 995 995 1057 6.35 Carteste 6 9 00 995 995 995 1057 6.35 Carteste 6 9 00 995 995 1057 6.35 Carteste 6 9 00 995 995 995 1057 6.35 Carteste 6 9 00 995 995 995 1057 6.35 Carteste 6 9 00 995 995 995 1057 6.35 C
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000 Open Int.	### 110-28 110-13 -0-16 110-28 109-13 894 109-42 ###################################	Bench Ned Germanism 7 99 1000 97% 98% 94 1 6.55 Denomark 6 9 00 500 104% 104% 6.57 EB 3% 99 EB 6% 00 Ebids Chambia 7% 02 1500 104% 104% 1 6.55 EB 3% 99 1 6.50 Denomark 6 9 05 104% 104% 1 6.57 EB 3% 99 Ebids Chambia 7% 02 1500 104% 104% 1 6.58 EB 6% 00 Ebids Chambia 7% 02 1500 97% 98 1 6.62 Losban 7% 105% 1 6.50 Losban 7% 105% 105% 105% 1 6.50 Losban 7% 105% 105% 105% 105% 1 6.50 Losban 7% 105% 105% 105% 105% 1 6.50 Losban 7% 105 Losban 7% 105% 105% 105% 105% 105% 105% 105% 105
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	### 110-28 110-13 -0-16 110-28 109-13 894 109-42 ###################################	Bench Ned Germanism 7 99 1000 97% 98% 94 1 6.55 Denomark 6 9 00 500 104% 104% 6.57 EB 3% 99 EB 6% 00 Ebids Chambia 7% 02 1500 104% 104% 1 6.55 EB 3% 99 1 6.50 Denomark 6 9 05 104% 104% 1 6.57 EB 3% 99 Ebids Chambia 7% 02 1500 104% 104% 1 6.58 EB 6% 00 Ebids Chambia 7% 02 1500 97% 98 1 6.62 Losban 7% 105% 1 6.50 Losban 7% 105% 105% 105% 1 6.50 Losban 7% 105% 105% 105% 105% 1 6.50 Losban 7% 105% 105% 105% 105% 1 6.50 Losban 7% 105 Losban 7% 105% 105% 105% 105% 105% 105% 105% 105
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	### 110-28 110-13 -0-16 110-28 109-13 894 109-42 ###################################	Bench Ned Germanism 7 99 1000 97% 98% 94 1 6.55 Denomark 6 9 00 500 104% 104% 6.57 EB 3% 99 EB 6% 00 Ebids Chambia 7% 02 1500 104% 104% 1 6.55 EB 3% 99 1 6.50 Denomark 6 9 05 104% 104% 1 6.57 EB 3% 99 Ebids Chambia 7% 02 1500 104% 104% 1 6.58 EB 6% 00 Ebids Chambia 7% 02 1500 97% 98 1 6.62 Losban 7% 105% 1 6.50 Losban 7% 105% 105% 105% 1 6.50 Losban 7% 105% 105% 105% 105% 1 6.50 Losban 7% 105% 105% 105% 105% 1 6.50 Losban 7% 105 Losban 7% 105% 105% 105% 105% 105% 105% 105% 105
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000 No.	### 10-28	Bench Level Germanister 7 99 1000 917 917 937 938 94 6.57 58 34 99 98 98 1004 1047 1047 6.58 58 58 64 04 05 05 06 06 06 06 06 06
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	### 10-28	Bench context 74, 04
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000 No.	### 10-28	Bench content 7-4 04
MOTIONAL FRENCH BOND FUTURES (MATIF) FF-500,000	### 10-28	Banch Ned Germeenten 7 99 1000 917 1017 6.35 Denomark 6 9 000 500 1017 1017 6.35 Denomark 6 9 000 500 1017 1017 6.35 Denomark 6 9 00 500 507 50 1017 1017 6.35 Denomark 6 9 00 500 507 50 50 50 50 50 50 50 50 50 50 50 50 50

Anison Dev 10¹-ppc 2009	8.46	755	12¹-l.
Sheep 11¹-ppc 2002	8.46	7.55	12¹-l.
Sheep 11¹-ppc 2012	8.56	7.55	12¹-l.
Sheep 11¹-ppc 2012	8.56	7.55	12¹-l.
Sheep 11¹-ppc 2018	9.52	12²-l.	
Sheep 2018	9.		

1 Up to 5 years (19) 2 5-15 years (21) 3 Over 15 years (5) 4 irredesmables (5) 5 All stocks (51)	120.90 151.94 174.02 201.50 146.02	0.11 0.05 0.14 -0.43 0.08	120,77 151,87 173,77 202,38 145,90	2.55 4.18 3.89 2.75	1.93 2.31 1.00 2.25	15 yrs 20 yrs kred.†	7	.41 .48	7.39 7.46 7.51	8.	23 7,01 06 7,39 17 7,43 23	7.40 7.44	8.08 8.15	7.35 7.36	7.38 7.39	8.19 8.28
index linked	1-10101		. 10.50		-	· • '		Int Mar 3					tation 10 Feb 28		· ó	<u>्र</u>
6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12)	206.20 198.51 198.25	-005 -005 -001	208.23 198.54 198.28	2,51 1,00 1,15	0.00 1.81 1.61	Up to 5 Over 5	yrs.	3.08 3.44		43	2.83 3,74	2.38 3.23	3.23	1.55 3.54		
Average groze redemption			. Соцест В	ands: Low: 0%-	74%; Me		_					-	date.			
FT Fixed Intere			eb 26 Feb	25 Yr ago }	ight L			:dged 	Ac		y Indices Feb 28	5 Feb 27	Feb 26	Fel	25	Feb 24
Govt. Secs. (UK) 95 Fixed interest 119 C FISE interestoral Let	.BA 119.B7	119.67 11	9.78 119.	98 11214 12	0.18 110).74 5-	day i	ged be weraige	, -		102.3 98.1	77.4 98.0	175.1 98.1	9	0.0 3.0	95.8 91.3
O FISE International Ltd high since complision: 13	1.87 (21/01/94)	, low 50.53	(03/01/75).	Basis 100: Gave	mment Se	curties 15/	10/28	nd Pload	مجلديا ا	192	R. SE activity	indices reba	and 1974.			
																÷
FT/ISMA INTE																
Listed are the latest intern		for which the		ednese escouq	ry prenket	Latest pri		7:00 pm OSer			8		bene	d Bild	Otter	Chg Yink
u.s. dollah straichts Addry Nei Treesuy (%) 03	1000 98		-1, 6.8 0		Fin 7 03 .	1000	1113 1084	109	يا.	5.01 5.31	Abbey Nell T British Land &	ivensury 8 03 8% 23 £	£ 100	0 102 ¹ 2	1024 1084	7,6 8,7
ABN Amo Bank 74, 05 Amban Dev Bk 79, 25	1000 101 500 99	1012	4 7.17 4 7.42	World Bank 5% World Bank 6%	03	3000	105	1053 ₂	٠,	4.98 4.74	Denmark 6% Depte Finance	: 98 £	80	שייסטיני סו	1004	68 -3, 75
Alberts Province 🏞 98 Asten Dev Bertk 64; 05	1000 1	02 102 ¹ 4, 5% 97	나 629 나 684	World Bank ?!	œ	3000	1114	1114		5.38	EBB 803 E _		100	0 103 2	1037	72 69
Austrie 8 ¹ 2 00 Bacter: Wuert L-Fin 8 ¹ 8 00	400 105	4 105 ³ a	8,45	SMISS FRANC							Giano Walco	rne 8%, 05 £	50 50	0 105 ¹ 4	1061 ₂	7.7
Bencomest 74 04	1000 91	3 91%	- 후 8.15 - 후 8.15	Ameri Dev Boot Austria 4½ 00 .		1000	106	106	,1 _e	4.61 2.15	HSBC Holdin Baby 10 ¹ 2 14	€	40	ىا 124 G		4 77
Bank Ned Gemeenten ? 98- Bayer Vereinstik 8 ¹ a 00			6.36 6.51	Dengrank 44, 65 DB 34, 99	·	1000	10514			2:13 1.88	Japan Dev 19 Land Secs 9	k 7 መድ	20	D 1801-u		6.8 4 7.8
leigium 5½ 03 Hillein Columbie 7%, 02	1000 RS	P4 84	-1. 888	BB 64, 04		900	117	11712	႕	4.10	Ontario 114e	01 &	10	0 (1242	1124	44 73
3-115eh Gas021 ————	1500 15		上 6.73 上 7.82	Pintand 74, 93 . HELABA FINAN	CE 34, 00	300	112 ¹ 2 103			224 236	Powergen 87 Sween Trant	115 03 £		0 105 ¹ 2 0 109		7.1 7.1
Streets 6 ¹ 2 05	1500 97		_} 6.82	iceland 75 QO . Inter Amer Dev	43. M	198	118 110			2.86 3.02	Takyo Bec P	Cower 11 Ch S	2 15	0 1121	1131	+1. 72 ^t 4
>tro Kh ∩t	10101 08	d cel	7.30	Ontario 61x 03		400	166 4	1157	+3	3.10	TONZ Fin 914 World Bank 9	990 1/25	25	a mark	1091-	J 81
redit Fonder 9½ 99 ast Japan Relikay 5½ 04 .	600 98	Ay 1057₃ Ny 1961₂	6.37 6.95	SNCF 7 04	80	100 450	1041		-3,	450 353	Credit Local 6 Denmark 51 ₂	601 井 901 年	800 200	0 105≹, 0 104	106 104)	-144 35
38 6 04	90096		-1 ₅ 6.84 6.16	Suncian 4%, 03 World Bank 0.2		500	10934	- 110		306 483	Elec de Franc	20 84 22 Fr	300	129	129 2	A .83
x-Im Blank Jupan 8 02 Sport Dev Cosp 9 ³ 2 98	500 105	3. 1055.	-l ₄ 8.73	World Sank 7 0		600	116			258	PLOATING R	WE NOTE	3			
Secon Capital 0 04	150 10 1800 60	F 611	나 629 나 672	Yen straigh									heuned			
ed Home Loen 74, 99 Tederal Nati Mon 7.40 D4	1500 100 1500 103	ቼ 102 ሜ 104½	- 6.35. -1₃ 6.63	Selgium 5 98 Oradit Fonciar 4	3. 10	75000 75000	111	111 ¹ 3 1137	-14	0.96 2.07	Abbey Neil Ti Argentaria Gio	reesury – <u>č.</u> 9 obal Fin 0 01	0 1000 700	99.95 99.67		
	1500 106	1064	6.B4	HR 6월 00		100000	116	1107	-	1.03	Beritamerica Caracta -14 9	½ 99	790	99.96	100.00	5.850
General Mills () 13	1000 2	26 25	구 823 구 823	Ex-Im Blank Jap Fed Nat Most 2	99 98	100000	114 1024	109		2.07 0.96	CCCE 0 96 E		200	99.71	100.01	4,132
M Anerica 54, 98	657 98 7000 8	A, 98 ¹ / ₂	6.31 -1, 6.84	Inter Armer Dev Raly 3 ¹ 2 01	74,00 <u> </u>	30000	1194		7	1.13	Commercials C			98.83 98.20		
Mar-Amer Day 7½ 05	500 103	7 1044	-1 ₄ 6.86	May 5 (4		200000	1174	118		246	Dreedner Fina	ance 1, 98 DI	M _ 1000	99.85	100.0	3.187
M Pinence 514 96	2000 95	98%	8.12 -4 6.78	Japan Dev Bk 5 Japan Dev Bk 6	₇ 5 ω −−−	120000	1217	110 ¹ 2 122	ᆤ	0.91 1.49	Fed Nat Mort Finland -1 ₈ 85	9	1500	99.98	100.05	5,437
ay 5%, 23 apan Dev 8k 6%, 01	3500 93 500 105	કુ 93% જ 1084.		SNCF 64, 00 Spain 54, 02		30000 125000	1164, 1194	1167 <u>.</u> 1197a	4	1.72	Hallier BS 0 S But Benk int	99	500	100.09 100.44		
(orea Elec Power 8½ 03 Antaushita Elec 7¼ 12	1961 00	de cel-	-k 723	World Bank 54		250000			걐	1.83	haly & 99		1500	100.41	100.47	. 5.825
Ontario 7 ³ e 03	3000 102	5 1025 3 103 ² 6	구 6'88 구 8'89	OTHER STRAIG	H 7\$					-	LKB Baden-Y	Auert Fin -12		10025 89.94	100.00	5.437
hater Krestrellhende Sile (M	900 106	2 //	- 1 6.80 - 1 6.64	HBRD 144, 98 (Woold Blank 15		250 Sm	1005	100		15.13 14.57	Lioyds Benk F Melaysia 🏃 🗯	δ	(55)	· 89.50		0.083
Partugal 5 to 103	1000 95	1 954 2 105	4 679 4 651	CIMEN STRAN EEPO 144, 98 6 World Bank 15: Austra 612 99 7 PTT Necestand 1		1000	1054	105%	-	3.70	Nove Scotle / Ontario () SS	<u> 2 99</u>	500	96.98	100.07	5.579
uebec Prov 9 98	200 102	102%	-4 042		18 CF	150	1124	1084 1127	-2	5.62 4.98	Portugal 🔓 86	8 DM	2500	100.15 100.32		\$187
			R13	Genada Mig &	74.03.C3	1250	1081	1084 1084	4	6.19 4.83	Rende () 98	0 0 99	500	99.76 99.76		
pain 6 ¹ 2 99 weden 6 ¹ 2 03 wrnessee Valley 6 00 evnessee Valley 6 ¹ 8 05	1500 100	100% 2 99%	621	四 10年96日		130	1081	105	4	388	Sport - 12 (<u> </u>	_ 2000	100,00	100.15	3.157
ennessee Valley 6 00	1000 98	# 864 5 xx.3	나 671 나 648	23ec de Franço ! XVV Int Fin 10 0	P4 59 CTS 1 CTS	275 400	1117	1113 ₈ 1154		491 558	State Elik Victo Sweden - 1 ₂ 0	, 1989 (2005 1999) 	125 2000	100.00 99.97		
'ernessee Valley 6½ 05 'olgo Bec Power 6½ 03	2000	5 97¥	- 8.87 -3, 4.50	KIW int Fin 10 C Nippon Tel Tel 1 Ontario 6 (19 CS	O4, 92 CS	300	11212	1124		5.03	United Kingdo	w 15 04 ‴	3000	99.87	\$6.91	5.312 4
loyote Motor 5% 98	1500 99	2 094	619	Ontario 8 03 CS Ontario Hydro 10	7 ₈ 99 ¢\$	500	1097 112	110 ¹ 5 112 ³ 8	7.	0.12 4.6 6	CONVERTIBL	E BONDS				
irited Kingdom 6% 01 Julied Kingdom 7% 02	2000 101 ¹ 3000 108 ¹	¥4. 1U1⊃a		Other Kreinstein	* 10° 00	מלור לאים	1117	1123g 1123g 1033g	7	4.86			lemed	Conic. Price	BM 08	ir Pad
Neit Diener 6 2 01	1300 9	9 994	4 677	Quebes Hydro 7 Quebes Prov 10	198 CS .	200	1085	110	4	8.53 4.60	Alled-Lyons B	d ne e		6.04		
Morld Bank 6°s 05	1500 98 ¹ 1500 10	le 96le 16 106le		Council Europe ! Creat Fooder &	1 UT HOI _	. 1100	715	118	4	5.18	Full hill Rhanc	M 4 € € 10	210000		AN 88	ī.
_				Denmark 845 02	Ecu	. 1000	714%	1143	4	411	Gold Kalgoorii Grand Malsop	ba 7% con	(K	137 7	11 ¹ 2 11 12% 113	3-14B 2-48
Deutschie Mark Strais Husig 62 24		_		ET: R (T) Figs		1100	100	1017		4.50	Houd Kous Pa		/10	1 البنية	167 118	- 49
		101.	-S- 644	BB 18 04 Pm		1150	110	1401	_1 -		AND LONG OF	##14 (I)	, 410	31,05	927 ₁ 93	T
Sacion-Wuest LFinance 6 90 Codit Foncier 74 08		101 1044	- 104	BB 16 01 Bbs.		_ 1150	11R	1101	구 구	4.81 6.16	Land Secs 64 Lasmo 74, 05	102 £	B4	6.72 1	925 93 145 117 975 98	4 2



tart (Strong US economy boosts dollar

marke

in the law.

APPLY STORY

. sulfill

the care

Mak Illin .

म् तेल्हः भ

and the second

s differ with

Bre to the

Maggina

使物量 医二

in the se **Aties** -

ritiation.

The dollar surged against support at about DML69. statements from European the D-Mark yesterday, as Against the yen it rose Y0.8 strong US economic data to Y120.9. If we get above would go shead on schedule. contrasted with rumours of Y121 the market will target Mr Hans Tietmeyer, Bundesweak forthcoming German Y122," said Mr Marc Chan- bank president, said market

A newspaper article say gist at Deutsche Morgan been "nonsense". ing that German unemploy- Grenfell in New York. Sterling had profited from ment would rise to a postwar. Sterling suffered on fresh the uncertainty over Emu,

member, gave the D-Mark Later, however, Mr Dorrell only a brief boost. He said retracted his remark. Tradthat the D-Mark's fall must not continue, and that growing prospects of a US interest rate rise had reduced the Bundesbank's scope to cut

The US currency rose 0.6

DM1.894. The dollar see- ers of the pound yesterday. sawed but found technical unemployment figures. dler, senior corrency strate talk last week of a delay had

record of 4.8m in February signs that the UK governhit the D-Mark, despite vari- ment is divided over Euroous official German denials pean monetary union Mr economic data yesterday of the report. Meanwhile, Stephan Dorrell, the health also offered little support to strong US consumption and secretary, said: "We shall National Association of Pur- not be joining a single curchasing Managers' data rency on January 1, 1999." helped the dollar. This broke with official gov-Remarks by Mr Ernst Wel-ernment policy on Emu. teke, Bundesbank council which is to wait and see.

		<u> </u>			
E Po		in Nov	York		_
Ner 3		Letent-		Free clos	-
£ apot		1.8176	••	1.6290	
1 main	٠:	1.6166		1.6281	٠.
3 मधीः		1.8150	•	1.6263	

piennigs against the D-Mark ers said European exporter to close in London at companies were heavy sell-

Sterling was also hit by officials that suggested Emu

Sterling had profited from as it is seen as a safe haven from the process. Soft UK also offered little support to the pound.

The currency closed 1.1 pfennigs lower against the D-Mark at DM2.748, and 1.8 cents weaker against the dollar at \$1.619.

The reassuring noises from continental Europe on monetary union helped the lira, which fell sharply last week. Mr Tietmeyer said he would like to see Italy join the first round of Emu, as high oil prices and Norway's long as it met the economic criteria laid down in the

against the D-Mark,

1.5724 -0.0112 717 - 730 1694.84 +4.64 448 -479 34.9400 +0.114 200 - 800 1.9045 +0.0057 041 - 048 6.8367 +0.0981 357 - 377 170.140 +0.38 090 - 190 143.685 +0.315 640 - 690 7.5836 +0.0854 797 - 872 1.6757 +0.0007 752 - 762 1.6195 -0.0037 455 - 481

0.9999 +0.0003 998 - 999 1.0511 +0.0001 510 - 512 1.3676 +0.0007 673 - 678 8.0170 +0.047 120 - 220

Maastricht treaty. The Italian currency firmed slightly to LL000 against the D-Mark.

dropped on rumours that Norway's finance minister wanted the currency to fall. in recent months, driven by strong economy. Yesterday it fell from

Europe
Austria
Beiglum
Denmark
Finland
France
Germany
Greece
Indexd
Italy
Linemoburg
Netherhands
Norway
Portugal
Seveden
Switzentand
UK
Ecu

NKr3.991 to NKr4.036 against national economist at HSBC the D-Mark, after hitting a Markets in London, points istry denied that Mr Jens Stoltenberg, finance minis-

Norway has previously said that in due course the krone should return to its levels of before the rally.

■ One focus for the market today will be German industhey are weak, as expected, that could deal a furthe blow to the D-Mark.

						_
-	Mar 3		£		8	
	Czech i	b 47.3298	- 47.4	077 29.23	40 - 29.26	40
,	tengary	284,604	- 284	861 175.7	90 - 175.	40
		4960.00	- 485	7.00 3000.0	DO - 3000.	00
•	X mark				1 - 0.303	
	Polyage				15 - 3.08 1	
	Peressia				10 - 588 1.	
	UAE	5.9417	- 5.95	19 3.670	10 - 3,674	Û

11,9280 11,9380 11,938 35,0400 34,8310 34,88 6,4664 6,4470 6,4518 5,0724 5,0413 5,0594 5,0727 5,7022 5,7108 1,5950 1,5950 1,5905 264,330 264,720 267,97

269.720 267.97 1.5705 1.5719 1890.18 1697.19 34.8310 34.88 1.8975 1.9007 6.7416 6.833 169.720 170.345 143.220 149.75 7.5099 7.5097

low of NKr4.0785 during the out that these days soft Gerafternoon. The finance min- man data can have an unexpected effect on the market. There are growing fears that ter, had said the country's Germany itself might fail to central bank should return qualify for Emu. That would mean a delay to the whole NKr4.10-NKr4.30 range process, which should help the D-Mark. So weak German economic figures, on the long term if not the short term, could boost the D-Mark as long as they are

seen to threaten Emu. Traders will also be watchtrial production figures. If Mr Larry Summers, US deputy treasury secretary, and Japanese officials. Mr Summers has recently warned Japan on its growing trade surplus with the US. The rise in the surplus has been prompted by the yen's recent slide against the dollar. If Mr Summers issues another warning today, that could signal that some Washington officials want to see the yen

11,8585 34,7625 6,4335 5,0407 5,6628 1,8845 270,54

7.745 38.51

1.434

WORLD INTEREST RATES & LIBOR Interbank thing reses are offered rates

mu.	Mar 3	Short	7 days	One	Three	Sbi	One
be watch-	l	term	поре	month	months	months	year.
between	Belgian Franc	34 - 3	3년2 - 3 ¹ 2	3 <u>12</u> - 3 <u>13</u>	3,4 - 3,7	34 - 34	3/2 - 343
US dep-	Danish Krone	3월 - 3월	3½ - 3½	3 ₁₈ - 3 ¹ 2	3% - 317	312 - 313	3월 - 3禄
· -	German Mark	44 - 34	3½ - 3	3½ - 3½	3년 - 양물	3 ¹ 4 - 3 ¹ 4	3½ - 3½
tary, and	Dutch Guilder	3 - 215	3 <u>2</u> - 2½	33 - 3	34 - 34	31 - 31	38 - 38
Mr Sum-	French Frenc	3 <u>4</u> - 34	34 34	34 - 34	344 - 34	34 - 34	3분 - 3분
warned	Portuguese Esc		616 - 638 618 - 6	64 - 64 64 - 64	632 - 616	8 ₁₂ - 5 ₁₆	64 - 64
ing trade	Spanish Pessia Sterling	6 - 5%	64 - 6	61 - 6	5½ - 6 6½ - 6¼	6 - 563 63 - 67	5월 - 5월 6월 - 6월
US. The	Swiss Franc	13. 14.	112 12	153 - 158	1월 - 1일	133 - 178	16 - 16
has been	Canadian Dollar		316 - 212	316 - 218	31 31	3 3.	34 - 34
n's recent	US Dollar	516 - 511	513 - 52	543 - 58	3월 - 3월	51 5	53] - 5%
	ttalien Lira	712 - 633	7隻 - 7弘	7% - 7基	713 - 72	74 - 72	718 - 714
llar. If Mr	Japanese Yen	å - 12	發 - 转	5g - 12	译-理	超 - 超	33 - 42
another	Asian \$Sing	3값 - 3½	3, - 3,	31 - 31	31 ⁸ - 3	34 - 34	3/2 - 3/2
at could	Short term rates	are call for th	e US Dollar	and Yen, oth	ers: two day	s' notice.	
shington	- WHEEL SK	MIK PEO	K PUTURE	3 (MAIR)P	ris interban	k offered na	te
e the yen	(o	pen Settp	xice Chang	ge Hiigh	Low	Est voi	Open int.
	Mar 96	3.82 96.0	53 -0.03	2 96.64	96.61	7,875	47,575
•		3.62 96.6			96.60	11,128	51,634
	Sep 96	1.58 96.1	58 - 0.03	3 96.60	96.56	4,206	38,528
	II THREE ME	WITH EURO	HARK FU	TURES (LE	FFE)" DM1	n points of	100%
		pen Sett p	rice Chanc	ne Hagh	יאסן	Est vol	Open int.
r LP Morgan		.79 96.7		96.79	96.79	50	6066
%PA Index		1.78 96.7			96.77	15885	188327
		L71 96.7			96.71	16268	161022
21 103.6		57 96.5			98.57	16908	178985
2.1 103.6	III ONE MONT	TH EUROM	ARK FUTU	RES (LIFFE	n DM3m o	cints of 10	D96
1.7 105.2				_			
2.2 82.8 1.8 106.1			rice Chang	-	Low		Open int.
2.0 105.0		1.74 96.7		96.74	96.74	500	19153
-5.7 66.4		- 98.8 - 96.8		-	-	0	4593
0.0	May Jun	- 96.8		-	-	0	3937 510
-0.9 75.3			-		- 		
21 103.6	M THREE NO	MIN BURG	LIKA FUT		ET LIUUUN	n points or	100%
2.5 109.1	. 0	oen Settp	rice Chang	e High	Low	Est. voi	Open int.
0.5 102.0	Mar 92	.66 92.6	5 +0.02	92.68	92.57	15947	69746
-0.7 95.1		.03 93.0			92.92	43557	107150
0.1 77.5		.30 93.3		93.35	93.12	17269	49539
0.8 85.1	Dec 93	.36 93.3			93.16	11040	35029
3.0 101.5	II THREE MONT	TH ENRO SW	HS FRANC	FUTURES &	FFE SF1m	points of 10	0%
0.7 98.0			rice Charv		1 Aw		Onen lot

E MONTH EUROYEN FUTURES (LIFFE) Y100m points of 100% 99.44 99.39 99.31 99.31 E THREE MONTH ECU FUTURES (LIFFE) Equim points of 100%

* LIFFE futures also traded on APT

ELIMOLIES OPTIONS (LIFFE) L1000m points of 100% 0.10 0.05

1.8 17.3386 12 10.9346 -0.8 278.107 -0.8 0.0 232.571 0.2 230.795 1.9 12.2179 2.1 12.0084 4.0 2.3668 3.9 2.2852 -0.006 126 - 142 1.4241 1.4118 1.4113 1.7 1.4065 1.9 1.5303 1.5180 1.7140 1.7011 2.2290 2.2135 2.2096 2.8 2.1988 2.9 2.1398 3.4 13.0449 12.8305

lc/Niddle	e Ebst/A			i ere		· · ·							Peci	flo/Middl	e East/A	drice.						
وتح	(AS)	2,0621	-0.04		34 Z.Ò		87 2.0819	0.1	2.0608		1568 D		Aust	malia.	(AS)	1.2733	-0.0151	729 - 737	1.2742	1.2701	1.274	
Kong_	()-IIC\$)	12.5422		375 - 4				0.7	12.52	0.7 124	1564 O.	.7 -	· Hon	g Kong	(HKS)	7.7445		440 - 450	7.7453	7,7438	7.7444	
4.	(ts)	58,0348		784 - 9		40 57.97			-	-	-		- India	1	(Pa)	35.B350		100 - 600	35.8900	35.8100	36.05	
١.	(SIA)	5.4255		175 - 3				·	-	-	-		ISTRE	ı	(SIA)	3.3501		462 - 540	3.3548	3.3458	-	
n.: :.	M	195.676		575 - 7				5.7	192.89T	5.7 184	A76 5.	.7 125.3	-		(1)	120.825		800 - 850		119.990	120.35	
1810.	- (AUS)	40156		. 135 - 1				• •	•	-	• •				(Prez)	2.4795		790 - 800	2,4860	2.4765	2.4823	
Zeeland .	NO	2.3118		102 - 1				-1.1 .	23184	-1.2 2.5	382 -1.	.1 115.7		Zestend	(NZS)	1.4274		259 - 280	1.4348	1,4229	1.4297	
pines -	(Paso)	42.6334		797 - 8				· . •			-			pines	(Peso)	26,3250		000 - 500		26.3000	-	
Arabia	(SR)	5.0788	-0.0148							-	. •			i Arabia	(SR)	3.7504		502 - 506	3.7506	3.7502	3.7506	٠
DOM)	(98)	2.3070		055 - 0				-	•	•	. •	-		роге	(53)	1,4245		240 - 250	1.4264	1.4236	1.4224	
Africa		7,1432		300 - 4				-	•	-	•	-		h Africa	(F4)	4,4725		700 - 750	4.4780	4.4630	4.5132	-
1 Kores	(Worl)	1396,62		315 - 0			-	•	-	-	-	• • •		h Korez	(Won)	862,500		500 - 500		880.000		
M	(IS)	44.5549		387 - 3				•	-		• .		Talw		(15)	27.5300		100 - 500	27.5570		27.5301	
ind .	(Bt)		-0.2945		; .		-	· -		•	. -	· . · ·	The		(84)	25.9050	_	800 - 300		25,8750	25.965	
	20. 1939) Securi						res decimal missel Bass						t † SD					de to the Doll ant interest ra				3
							CLOSING S							250 SA4US					. Ur, sp		as quue	-
	· .					٠		1					. —		•							
	·								•	•												
		· <i>'</i>					<u> :</u>		<u> </u>													_
1055	RAT	ES AN	ID DE	RIVA'	TIVES													1				
	Ţ.			: .		,							-					ļ				_
GKAN	IGE C	沢0 巻	B RAT	E\$ 🖰								•						j 				=
Mar 3	3	attr	DKr.	FFr	DM	E.	L F	I NE	r· Ba	Ptu	SKY	SFr	. £	C\$	\$	Y	Ecu	1				-
	(BFr)	100	18.49	16.37	4.948	1,820 4	850 5.4	51 19.	7 - 486.9	411.3	21.70	4.224	1.767	3.915	2,861	345.9	2,497	Ί				_
mark.	· OOK		10	8.855	2.522		623 2.9				11.74		0.B56	2.118	1.548	187.1	1,351		?E	7 T	7	-
	THE		11.29	1D	2.982	1.112 2	963 3.3		5 297.5	251.2	13.26	2.580	1,080	2.391	1.748	211.3	1.526		. ! 🖜	r, F	JI	
	- CM		3.B13	3.377	1	0.376 1	000 1.1		100,4	B4.83	4,477	0.871	0.385	0.808	0.590	71.35	0.515		┫.`	• F	71	
rd .	15	54.93	10.16	8.992	2.663	1 2	884 2.9	94 10.3	5 267,5	225.9	11.92	2.320	0,971	2,150	1.572	190.0	1.372		1	JI	"	
. =	10	2.062	0.351	0,338	0.100	0,038 1	100. 0.1	12 0.40	X 10.04	8.480	0.448	0.087	0.036	0.081	0.059	7.132	0.051	—				_
riends	(FI	18.35	3,392	3.003			8928 1	3,50	9 89.33		3.982	0.775	0.324	0.718	0.525	63.46	0.458	1				
	ONG		9.449 .	8,387			479 2.7				11.09		0.903	2001	1.468	176.8	1,276	1				
. پخو				~ ~~~	0.206	0.374 9	96.0 1. 1	19 4.01	JB. 100.	84.48	4.457	0.868	0.363	0.804	0.588	71.03	0.513	1		-		
	(Es)	20.54	3,797	3.362	O'Side	ANNA S	1.1	10	4 100.	~~~												
1	(Es) (Pts)		4.495	3,980			179 1.3				5.277	1.027	0.430	0.952	0.696	84.1D	0,607		~~		1 4~	,
i len :		24.31			1,179	0.448 1 0.830 2		25 4.75 11 9.01	7 118.4 5 224.3	100,		1.027 1.946	0.430 0.814	1.804	1.318	159.4	0.607 1,151	IR	60	11	Ite	ļ
en erland	(Pta	24.51 46.07 23.57	4.495 8.518 4.377	3,980 7,542 3,875	1,179 2,234 1,148	0.443. 1 0.839 2 0.431 1	179 1.3 235 2.5 148 1.2	25 4.73 11 9.01 90 4.63	7 118.4 5 224.3 2 115.3	100, 189.5 97.35	5.277 10 5.138	1.946		1.804 0.927	1.318 0.677	159.4 81.88	0.607 1,151 0.591	R	les	u	lts)
i ien erien d	(Pts) (SK4)	24.31 46.07 23.67 56.58	4.495 8.518 4.377 10.48	3,980 7,542 3,675 9,262	1,179 2,234 1,148 2,743	0.448 1 0.839 2 0.431 1 1.030 2	179 1.3 235 2.5 148 1.2 744 8.0	25 4.75 11 9.01 90 4.65 84 11.0	7 118.4 5 224.3 2 115.3 7 275.5	100, 189.5 97.35 232.7	5.277 10 5.138 12.28	1.946 1 2.390	0.814 0.418 1	1.804	1.318 0.677 1.619	159.4 81.88 195.7	0.607 1.151 0.591 1.413	R	les	u	lts	1
i len erlend <u>.</u>	(Pta) (SK) (SF)	24.31 46.07 23.57 58.58 25.54	4.495 8.518 4.377 10.48 4.722	3,980 7,542 3,875 9,262 4,181	1,179 2,234 1,148 2,743 1,238	0.443 1 0.839 2 0.431 1 1.030 2 0.465 1	179 1.3 235 2.5 148 1.2 744 8.0 239 1.3	25 4.73 11 9.01 90 4.53 84 11.0 92 4.83	7 118.4 5 224.3 2 115.3 7 275.3 8 124.4	100, 189.5 97.35 232.7 105.1	5.277 10 5.138 12.28 5.544	1.946 1 2.390 1.079	0.814 0.418 1 0.451	1.804 0.927 2.215 1	1.318 0.677	159.4 81.88 195.7 88.35	0.607 1.151 0.591 1.413 0.638	R	les	u	lts)
	(Pte) (SK4) (SF4)	24.31 46.07 23.57 58.58 25.54	4.495 8.518 4.377 10.48	3,980 7,542 3,675 9,262 4,181 5,721	1,179 2,234 1,148 2,743 1,238 1,694	0.443 1 0.839 2 0.431 1 1.030 2 0.465 1 0.636 1	179 1.3 235 2.5 148 1.2 744 3.0 239 1.3 695 1.9	25 4.73 11 9.01 90 4.63 84 11.0 92 4.93 05 6.83	17 118.4 15 224.3 12 115.3 17 275.5 18 124.4 18 170.2	100, 189.5 97.36 232.7 105.1 143.7	5.277 10 5.138 12.29 5.544 7.585	1.946 1 2.390 1.079 1.476	0.814 0.418 1 0.451 0.618	1.804 0.927 2.215 1 1.388	1,318 0,677 1,619 0,731	158.4 81.88 195.7 88.35 120.9	0.607 1.151 0.591 1.413 0.638 0.873	R	les	u	its)
	(Pa) (Si4) (Si4) (CS)	24.31 46.07 23.57 58.58 25.54 34.95	4.495 8.518 4.377 10.46 4.722 8.461 5.345	3,980 7,542 3,675 9,262 4,181 5,721	1,179 2,234 1,148 2,743 1,298 1,694 1,402	0.443 1 0.830 2 0.431 1 1.030 2 0.465 1 0.536 1	179 1.3 235 2.5 148 1.2 744 8.0 239 1.3 895 1.9	25 4.75 11 9.01 90 4.55 84 11.0 92 4.95 95 6.85 76 5.65	7 118.4 15 224.3 12 115.3 17 275.5 18 124.4 18 170.2 17 140.8	100, 189.5 97.36 3 232.7 105.1 143.7 118.9	5.277 10 5.138 12.28 5.544 7.585 6.275	1.946 1 2.390 1.079 1.476 1.221	0.814 0.418 1 0.451 0.618 0.511	1.804 0.927 2.215 1 1.388 1.132	1,318 0,677 1,619 0,731 1 0,827	159.4 81.88 195.7 88.35 120.9 100.	0.607 1.151 0.591 1.413 0.638	R	les	u	its	•
	(Pa) (Sit) (Sit) (Ci)	24.31 46.07 23.57 58.58 25.54 34.95	4.495 8.518 4.377 10.46 4.722 8.461	3,980 7,542 3,875 9,262 4,181 5,721 4,783	1,179 2,234 1,148 2,743 1,298 1,694 1,402	0.443 1 0.830 2 0.431 1 1.030 2 0.465 1 0.536 1	179 1.3 235 2.5 148 1.2 744 3.0 239 1.3 695 1.9	25 4.73 11 9.01 90 4.63 84 11.0 92 4.86 95 6.83 76 5.63	7 118.4 15 224.3 12 115.3 17 275.5 18 124.4 18 170.2 17 140.8	100, 189.5 97.36 3 232.7 105.1 143.7 118.9	5.277 10 5.138 12.29 5.544 7.585	1.946 1 2.390 1.079 1.476	0.814 0.418 1 0.451 0.618	1.804 0.927 2.215 1 1.388	1,318 0,677 1,619 0,731	158.4 81.88 195.7 88.35 120.9	0.607 1.151 0.591 1.413 0.638 0.873	R	les	u	its	1)

Denish Kn	oner, French	Franc, Non	mgha theo	er, and Sh	ediatr (Grana	r per 10; B	elgian Franc.	Yen, Secudo, Li	im and People	per 100.					
H D-M	JUK PUTE	une (ver	DM 125,0	100 per Di	<u>u . , ;-</u>	· ·	<u> </u>	E JAPAN	ESE YEN	UTURES	(IVEVI) Y	/en 12.5 p	er Yen 100		
	Open	Lefast :	Change		. Low .	Est. vol	Open int.		Open	Latest (Jampa	High	LOW	Est. voi	Open i
Mar	0.5913		-0.0007	0.5926	0.5905	25,880	90,459	Mar			0.0039			27,521	72,18
<u> </u>	0.5945	0.5954	-0.0006		0.5942	2,840.	10,354	, Jun			0.0039		0.8395	1,869	8,251
Sep	··· 0.5989	0.6080	-0.0010	0.5903	0.5089	. 122	2,449	Sep	0.8525	0.8524 -	0.0038	0.8525	0.8520	36	573
N SWIS	S FRANC	PUT UND	(DAM) SP	125,000	per SPr	<u> </u>	<u> </u>	R STERL	DIG FUTUR	55 (MM)	262,50	per £			
Mar	0.6773	9.6601	+0.0018		0.8756		48,748	Mar			0.0082		1.6190	9,476	34,34
Jun Sep	0.6838	0.8980	+0.0012	4,998,0° 0.8930	0.6825	829	4,368 1,778	Jun Seo			0.0086 0.0084		1.6170 1.6130	393 3	2,976 1,233
	<u> </u>	- ::- <u>-</u>		- 7	· ·	. <u> </u>									-
UK I	NTERE	ST RA	TES					EMS E	UROPE.				MIT RA % +/- tron		end Dia
LOND	ON N	ONEY !	RATES	· · · · ·			:. ·			against		Change on day	Cen. mie	% spre v weato	
Mar 3		. Dver-	7 days	One	Three	Sbc	One .	Portugal	197.39			-0.27	-0.88	3.20	
		ngit	Logoe	month	Herdis	- months	year	Finland	5.8542			+0.00225	-0.44	2.95	
Interbenk	Starting	8 5	6 - 5%	64 - 51				Ireland Soalo	0.798708 163.828			-0.325	-8.24 1.03	11.71 1.45	
Sterling C	Da 🗀	•	•		64 - 64	64 - 6Z	64 - 64	Netherland				-0.00172	1.17	1.32	-
Treasury		·- •	-	53 - 54		. <u> </u>	· -	Germent	1,0257			-0.002	1,35	1,13	-
Barrix BBB		-14 -11			· 雅·雅			Belgium	39.719	40.2	584	-0.0368	1.38	1.10	
LOCAL SALE	norry cope	. 我~妈	12 12	. 64 - 6	of5 . 678	- 4/2 - 4/4	- 6 ₁₄ - 6 ₁₄	Austria	13.548			-0.0142	1.39	1.70	
CECOUN			ميد هم					Denmerk	7.9455			-0.00432	T.39	1.09	
UK cheere	od bank be	ne landing t	nate Siper e	DERK STORE	October 30	1 1996	٠	France	6.45883 1906.48			-0.00445 +6.35	2.04 2.50	0.45 0.00	
			Up to 1	1-8	3-6	5-0	9-12		1800,44	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		+023	2,20	0-00	, -~
	'		month	- month	months	months	months	NON ERM	MEMBERS						
Company of T	ex dep. (E	100.000	212	512	. 5	. 5	44	Greece	295.26	306.0	71	+0.717	3.96	-1.A1	
Farm of Va		- Parks 1995 In	-Shore Pers	بأنياكم والمه	منه جه هند	1440		UK	0.793103			0.002471	-10 <i>.2</i> 9	14.25	•
Ave, tender up day Feb Reference	rate of class 20, 1997. / rate for park	ount on Feb Igreed pate it at Fab 1, 180 I trans Mar 1,	21 , 5.8597 or period Ma 17 to Feb 26	ne. SCGD 1 r 16, 1907 i	ing (1836-192) In Apr 21, 1	g, Export 79 997, Sobern	T	Percentage ci between two o currency, and	tes est by the S nangus are for E apreads: the per the municum p 7/9/92: Starling	cu; a postive contage dife amigad per	charge tence be to special	denotes a wi tween the ac existen of t	najk zamency:D Ausi marinet an Na currency's d	Vergence str d Ear central series sain fo	ous to a cates to cates for cates for
	E MONTH	STEPLE	e PUTUR	es (LFFE	2500,000	points of	100%	E PREA	DELPHIA SI	£/\$ OP1	10168	231,250 (ents per po	und)	
	Open	Sett price	Change	High	Low	Est vol	Open Int.	Strike		— CÁLLA		_		PUTS —	
Mar	99.71	95.72	10,01	93.73	98.70	10988	98244	Prios	Mar	Apr	•	4ay	Mar	.Apr	May
Jun	93.44	93.47	+0,03	93.45	93.43	19542	121470	1,800	3.20	· 3.79 3.11		174	0.24 0.45	0,91 1,23	1.57 1.94
2eb .	22.24	93.24	+0.02	93.26 -	95.21	14863	- 89676 50039	1.610	2.46 1.77	2.51			0.76	1.51	2.36
Dec	93.09	95.00	+0.01	93.17 93.01	93.06	3799	41660	1	1.7 r /a vol., Calla 2						_
Mar Alan and de	93.01	92,98				3148	41000		1 10, 0252				, 0	W 100 3 1	,
VEC SECON	1 0N API. A	f Chair plan	-		- ·			E PHEAT	MILPHIA SI	D-HARM	/\$ OP	THORE D	M82,500 (S	per DM()	
M SHOR	T OTHER	NE OPTIC	NIS LITT	2500.00	points of	100%	• •	Strike		- CALLS				PUTS	
Strike		CA	118			POTS -		Price	Mar	Apr.	, ,	laty .	Mar	Apr	May
Price	M			iap .	Mar .	Jun	Sep '	0.590	0.83	1.00				0.61	0.83
8360	0.7	- 4,:		11	ß	0.16	0.97	0.595	0.38	0.74				0.89	1.07
9375	. 0.2				D.05	-0.32 ·	0.58	D.800 -	. 0.22	0.53	-	-		1,15	1.35
9400	. 0	. 00			0.28	0.54	10.78	Previous day	's vol., Cale 2,	794Puts 2,0	73. Pres	r. džy's ope	n int., Calle 3	1,725Putz 3	4,506
	ML Calls 31		S. Previous			27496 Pub		{							

			_					
	Coan	Late	st Cha	nge H	ligh	Low	Est. vol	Open int.
Mar	0.8341	0.83	04 -0.0	039 02	R350	0.8290	27,521	72,186
hen .	0.8440	0.84	11 -0.0		8451	0.8395	1,889	8.261
Sep	0.8525	0.85	24 -0.0	038 DJ	3525	0.8520	36	673
	Linia FVI	_						
Mar	1.8288	1.621	0.0			1.6190	9,476	34,344
Jun	1.8232	1,618				1.6170	393	2,976
Sep	1.6130	1.61	0,0	084 1.1	B150	1.6130	3	1,233
	EUROF	EAN						
Mar 3		cen	. Plate	Chan u on d		+/- from	% spra v weat	
Portugal	. 197	208	196,063		127	-0.88	3.2	5
Fining		5424	5.82850			-0,44	29	
reland	0.796		0.732870			-8.24	11.7	
South		826	165.514		325	1.03	1.4	
Notherlan		1979	2.19508			1.17	1.3	
Germany	1.03	2573	1.95175	-0	002	1,35	1.13	
مسئواه		7191	40.2684	-0.0	358	1.38	1.10	
Lustrie		5485	13.7363		142	1.39	1.70	
Denmerk	7.54	1555	7.44765			1.39	1.09	
rance		5883	8.59021	-0.00	445	2.04	0.48	
tady	190	6.48	1954.09	+6	3.35	2,50	0.00	
-								
	MEMBE							
ireece	295	269	306,971		717	3.96	-1.A1	i
ak _	0.799	HQ3 (1711528	+0.002	471 -	-10.29	14,25	5 -
iou central c	men eet by s changue are suprendic the d the municipal 17/0/92: She	ne Buope	n Commiss	ion, Cumer	cies #79 i	n descendi	ng spietive g	bergit.
econtage (hangus are		positive cha	rge durde	e a vesk	earmoney S	vergence st	our to min
	spreads its	a bacania		a Derwein			- 124 CONTROL	
در بروجودی مندر آمان	175-00: Ste	موسع بيد محسر مط	بدنجرجر 2 capi leap	THE LAS	iment cris	risted by	to Francis	Times.
, PRILA	DELPHA	SE 6/1	OPTIO	#\$ £31.2	50 (cen	ts per po	und)	
		_						
itriko	Ma		MIS -	May	14		PUTS — Adr	May
Moa .	144		Apr		- 44	_		
		_	•	~		_		-
	3.2		3.79	•	0.2	24	0,91	1.57
.610	32 24	6	3.79 3.11	3.74	0.2 0.4	M 15	0.91 1.23	1.57 1.94
.610	3.2	6	3.79	•	0.2	M 15	0,91	1.57
.610 .820	32 24	6 7	3.79 3.11 2.51	3.74 3.18	0.4 0.4 0.7	15 16	0.91 1.23 1.51	1.57 1.94 2.36
.610 .820	3.2 2.4 1.7	6 7	3.79 3.11 2.51	3.74 3.18	0.4 0.4 0.7	15 16	0.91 1.23 1.51	1.57 1.94 2.36
.610 .020 revious da	3.2 2.4 1.7 ya vol. Ca	6 7 le 25 4 Pu	3.79 9.11 2.51 m 180 . Pri	3.74 3.18 w. day's a	0.4 0.4 0.7 spen ist.,	24 15 76 Calls 34,0	0,91 1,23 1,61 28 Para 51	1.57 1.94 2.36
.610 .820 Terfora da	3.2 2.4 1.7	6 7 1-264 Pu 1-264 D-1	3.79 3.11 2.51 ts 180 . Pr	3.74 3.18 w. day's a	0.7 0.7 open ist.,	2,500 (S	0.91 1.23 1.61 28 Para 51 per DM)	1.57 1.94 2.36
.610 .620 revious de FRISA	3.2 2.4 1.7 ya vol. Cal	6 7 10-254 Pu 10-11 10-1	3.79 9.11 2.57 IS 180. Pr	3.74 3.18 w. day's c	0.2 0.4 0.7 open ist., BB DMS	24 15 76 Calls 34,0 2,500 (S	0.91 1.23 1.61 28 Para 51 per DM)	1.57 1.94 2.36 .063
.610 .620 revious de FRISA	3.2 2.4 1.7 ya vol. Ca	6 7 10-254 Pu 10-11 10-1	3.79 3.11 2.51 ts 180 . Pr	3.74 3.18 w. day's a	0.2 0.4 0.7 open int., 18 DMS	24 15 76 Calls 34,1 2,500 (S	0.91 1.23 1.61 28 Para 51 per DM)	1.57 1.94 2.36
.810 .820 revious de F. PHILA Trice	3.2 2.4 1.7 ya vol. Cal	6 ? ha 264 Pu lask D-1	3.79 9.11 2.57 IS 180. Pri	3.74 3.18 w. day's c	0.3 0.4 0.7 open int., 18 DM65 Mi 0.3	2,500 (S er	0.91 1.23 1.61 28 Para 51 per DM)	1.57 1.94 2.36 .063
.810 .820 revious de F. PHILA Trice	3.2 2.4 1.7 ya vol. Ca DEL PHEA	6 ? in 264 Pu . SSE D-1 	3.79 9.11 2.51 ts 150. Pri MARK/S ALLS — Apr	3.74 3.18 w. day's a OPTION	0.2 0.4 0.7 open int., 18 DMS	2,500 (S er	0,91 1,23 1,51 1,51 28 Pus. 51 per DM) PUTS Apr	1.57 1.94 2.36 .063
.810 .820 revious de I PHILA trite Tice .590	3.2 2.4 1.7 y's vol. Ca DID PHEA 0.8 0.8	6 7 7 8 254 Pu 8 D-I	3.79 9.11 2.51 IS 150 Pri HARRIC'S ADT 1.00 0.74	9.74 3.16 w. day's c OPTION May 1.33 1.06	0.3 0.4 0.7 open int., 18 DM65 Mi 0.3	24 15 76 Calls 34,1 2,500 (S ar	0.91 1.23 1.81 28 Pers 51 per DM PUTS Apr 0.51 0.89	1.57 1.94 2.36 .083
.610 ,820 revious de I PHE A Trice .580 .595 .800	3.2 2.4 1.7 7 vol. Ca DBD_PT&A 0.8 0.3 0.2	6 7 7 16 254 Pu 8 D-1 V 3 8 2	3.79 3.11 2.57 IS 150 . Pri ISANIC/S ADV 1.00 0.74 0.53	9.74 3.16 w. day's c OPTION May 1.33 1.05 0.84	0.2 0.4 0.7 0.7 0.8 0.4 0.2 0.2 0.2	24 15 76 Calls 34,1 2,500 (S Er 34	0.91 1.23 1.81 28 Pers 51 per DM PUTS Apr 0.61 0.89 1.75	1.57 1.94 2.36 .063 May 0.85 1.07 1.35
.610 ,820 revious de I PHE A Trice .580 .595 .800	3.2 2.4 1.7 y's vol. Ca DID PHEA 0.8 0.8	6 7 7 16 254 Pu 8 D-1 V 3 8 2	3.79 3.11 2.57 IS 150 . Pri ISANIC/S ADV 1.00 0.74 0.53	9.74 3.16 w. day's c OPTION May 1.33 1.05 0.84	0.2 0.4 0.7 0.7 0.8 0.4 0.2 0.2 0.2	24 15 76 Calls 34,1 2,500 (S Er 34	0.91 1.23 1.81 28 Pers 51 per DM PUTS Apr 0.61 0.89 1.75	1.57 1.94 2.36 .063 May 0.85 1.07 1.35
.810 .820 revious de I PHE A Trice 1590 L595 L590	3.2 2.4 1.7 7 vol. Ca DBD_PT&A 0.8 0.3 0.2	6 7 7 16 254 Pu 8 D-1 V 3 8 2	3.79 3.11 2.57 IS 150 . Pri ISANIC/S Apr 1.00 0.74 0.53	9.74 3.16 w. day's c OPTION May 1.33 1.05 0.84	0.2 0.4 0.7 0.7 0.8 0.4 0.2 0.2 0.2	24 15 76 Calls 34,8 2,500 (S Er 34	0.91 1.23 1.81 28 Pers 51 per DM PUTS Apr 0.61 0.89 1.75	1.57 1.94 2.36 .063 May 0.85 1.07 1.35
.810 .820 revious de FPME.A Strike 1500 .505 .500 revious de	32 2.4 1.7 1.7 vol. Cal Din PHA Ma 0.8 0.3 0.2 72 vol. Cal	6 7 10 254 Pul 1 255 B-1 2 3 8 2 1 2,754 Pul	8.79 9.11 2.51 is 150. Pm MARK/8 ALLS — Apr 1.00 0.74 0.53 is 2.073	3.74 3.18 wv. day's c GPTION Mary 1.33 1.05 0.84 Prav. day	0.2 Q.A Q.A open int., BB DAAS Au 0.2 Q.S Q.S S open in	24 15 76 Cults 34,1 2,500 (S 87 34 68 60 81, Cults 3	0.91 1.23 1.61 28 Pes 51 per Did PUTS	1.57 1.94 2.36 .063 May 0.85 1.07 1.35
J. STO J. SZO Tre-Jose de Front J. SZO Trong J. SSO J. SSO J. SSO Tre-Jose de J. SSO J. SSO J	3.2 2.4 1.7 7 vol. Ca DBD_PT&A 0.8 0.3 0.2	6 7 10 254 Pul 1 255 B-1 2 3 8 2 1 2,754 Pul	8.79 9.11 2.51 is 150. Pm MARK/8 ALLS — Apr 1.00 0.74 0.53 is 2.073	3.74 3.18 wv. day's c GPTION Mary 1.33 1.05 0.84 Prav. day	0.2 Q.A Q.A open int., BB DAAS Au 0.2 Q.S Q.S S open in	24 15 76 Cults 34,1 2,500 (S 87 34 68 60 81, Cults 3	0.91 1.23 1.61 28 Pes 51 per Did PUTS	1.57 1.94 2.36 .063 May 0.85 1.07 1.35
J. STO J. SZO Tre-Jose de Front J. SZO Trong J. SSO J. SSO J. SSO Tre-Jose de J. SSO J. SSO J	32 24 1.7 1.7 vol. Cal DIL PHEA 0.8 0.3 0.2 72 vol. Cal	6 ? ? le 264 Pui le 264 Pui le 264 Pui le 264 Pui le 2,754 Pui	3.79 3.11 2.51 to 150. Pm HAREC/S ALLS — Apr 1.00 0.74 0.53 to 2.073	3.74 3.18 wv. day's o OPTION 1.33 1.06 0.94 Prev. day'	O.2 O.4 O.7 O.5 O.5 O.5 O.5 O.5 O.5 O.5 O.5 O.5 O.5	24 15 76 Culls 34,6 2,500 (S 87 14 18 18 10 10 10 10 10 10 10 10 10 10 10 10 10	0.91 1.23 1.61 28 Pets 51 per DM PUTS	1.57 1.94 2.36 .083 May 0.85 1.07 1.35 14.506
.010 .020 revious de E PHELA Strike 1500 1505 1500 revious de	32 24 1.7 y's vol. Cal DIT PHEA 0.8 0.3 0.2 y's vol. Cal	5 7	3.79 3.11 2.57 to 190. Pn MARK/9 ALLS — Apr 1.00 0.74 0.53 ss 2.073	9.74 3.18 av. day's c GPTION 1.33 1.06 9.84 Prev. day'	0.2 0.4 0.7 open int M: 0.5 0.5 0.5 0.5 in open in	24 15 76 Culls 34,1 2,500 (S 2,500 (S 34 38 30 31, Culls 3 35, of 100	0.91 1.23 1.61 1.82 Pets 51 per DMg PUTS	1.57 1.94 2.36 083 May 0.83 1.07 1.35 14,508
.010 .020 revious de I PHILA Crites Crites .590 .595 .590 revious de	32 2.4 1.7 1.7 vol. Cal Marine Ma Marine Marine Marine Marine Marine Marine Marine Ma Marine Marine Marine Marine Marine Marine Marine Marine Marine Marine Marine Marine Ma Marine Marine Marine Ma Marine Marine Marine Marine M	6 7 7 10 264 Pu	3.79 3.11 2.57 to 180. Pri MARKAS — Apri 1.00 0.74 0.53 as 2.073 DOLLAR Char	5.74 3.18 av. day's c GPTHON 1.33 1.06 0.84 Prev. day'	0.2 0.4 0.7 open int., 18: DAAS 0.5 0.5 0.5 0.5 in open in	24, 15 (Calls 34, 1 (Calls 34,	0.91 1.23 1.61 1.61 1.61 1.61 1.65 PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 34,508 Open int. 365,263
.810 .820 revious de E PHILA bites trice LS90 .595 .900 revious de E THREE	32 24 1.7 y's vol. Cal DIT PHEA 0.8 0.3 0.2 y's vol. Cal	66 7 7 8 264 Pu 4 32 B-1 3 8 2 2 2,794Pu 4 1,794Pu 94,47 94,47	3.79 3.11 2.57 IMARIK/S IMARIK/S ALLS — Apr 1.00 0.74 0.53 IM 2.073	3.74 3.18 av. day's c OPTION May 1.33 1.06 9.84 Prev. day'	0.2 0.4 0.7 open int., iss DMS: 0.3 0.5 0.5 is open in im point	24, Carlo 3 LOW 94, 40 94, 17	0.91 1.23 1.91 1.91 28 Pes. 51 per DM) PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open let. 365.263 451.170
.810 .820 revious de E PHILA Siltes 1708 .595 .590 revious de E THIRES	32 2.4 1.7 1.7 vol. Cal Marine Ma Marine Marine Marine Marine Marine Marine Marine Ma Marine Marine Marine Marine Marine Marine Marine Marine Marine Marine Marine Marine Ma Marine Marine Marine Ma Marine Marine Marine Marine M	6 7 7 10 264 Pu	3.79 3.11 2.57 IMARIK/S IMARIK/S ALLS — Apr 1.00 0.74 0.53 IM 2.073	3.74 3.18 av. day's c OPTION May 1.33 1.06 9.84 Prev. day'	0.2 0.4 0.7 open int., iss DMS: 0.3 0.5 0.5 is open int.	24, Carlo 3 LOW 94, 40 94, 17	0.91 1.23 1.61 1.61 1.61 1.61 1.65 PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open let. 365.263 451.170
.810 .820 revious de E PHILA Siltes 1708 .595 .590 revious de E THIRES	32 2.4 1.7 Ya vol. Cal Ma 0.8 0.3 0.2 Ya vol. Cal Open 94.42 94.20	66 7 7 8 264 Pu 4 32 B-1 3 8 2 2 2,794Pu 4 1,794Pu 94,47 94,47	3.79 3.11 2.57 IMARIK/S IMARIK/S ALLS — Apr 1.00 0.74 0.53 IM 2.073	3.74 3.18 av. day's c OPTION May 1.33 1.06 9.84 Prev. day'	0.2 0.4 0.7 open int., iss DMS: 0.3 0.5 0.5 is open in im point	24, Carlo 3 LOW 94, 40 94, 17	0.91 1.23 1.91 1.91 28 Pes. 51 per DM) PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open let. 365.263 451.170
.810 .820 revisus de E PHE A Itrite 1505 .590 revisus de E THERES	32 2.4 1.7 1.7 vol. Cal Ma 0.8 0.8 0.2 72 vol. Cal E MORTH Open 94.42 94.20 93.99	56 7 7 8 254 Pu 4 33 8 2 2 2 2,754 Pu 1 23,754 Pu 1 23,754 Pu 94,41 94,41 93,56	3.79 3.11 2.51 2.51 2.51 2.51 2.51 2.51 2.51 2	3.74 3.18 av. day's c OPTION 1.33 1.06 9.84 Prev. day (MSQ \$1 22 94 34 94 04 94	0.2 0.4 0.7 open, int., int. DAMS: 0.5 0.5 0.5 int point int. point gh .42 .21	24 15 6 Calls 34,6 2,500 (5 Calls 34,6 2) 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	0.91 1.23 1.91 1.91 28 Pes. 51 per DM) PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open let. 365.263 451.170
.810 .820 revisus de E PHE A Itrite 1505 .590 revisus de E THERES	32 2.4 1.7 Ya vol. Cal Ma 0.8 0.3 0.2 Ya vol. Cal Open 94.42 94.20	5 7 7 1 264 Put 264 Put 264 Put 264 Put 264 Put 265 Pu	3.79 3.11 2.57 2.57 2.57 2.57 2.57 2.57 2.57 2.57	3.74 3.18 wv. dey's c GPTHON 1.33 1.05 9.94 Prev. day' (MASQ 51 (MASQ 51 04 94 04 94 04 94	0.4 0.4 0.7 open int., 18 DARS 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 24,6 25 24,6 2 2,500 (5 2) 24,6 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	0.91 1.23 1.61 1.61 28 Puts 51 per Did PUTS	1.57 1.94 2.36 .083 May 0.85 1.07 1.35 14,508 Open Int. 395,263 401,170 305,839
.910 .920 revious de E PHILA Ditte Tion 1900 .900 E THIRES Est Un un un un un un un un un un un un un un	32 2.4 1.7 1.7 vol. Cal Ma 0.8 0.8 0.2 72 vol. Cal E MORTH Open 94.42 94.20 93.99	56 7 7 8 254 Pu 4 33 8 2 2 2 2,754 Pu 1 23,754 Pu 1 23,754 Pu 94,41 94,41 93,56	3.79 3.11 2.57 2.57 2.57 2.57 2.57 2.57 2.57 2.57	3.74 3.18 av. day's c OPTION 1.33 1.05 9.84 Prev. day (MMs) \$1 22 94 24 94 24 94 24 94 24 94	0.2 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 6 Calls 34,6 2,500 5 8 14 18 18 18 18 18 18 18 18 18 18 18 18 18	0.91 1.23 1.61 1.61 1.61 1.61 1.62 1.65 1.75 1.75 1.75 1.75 1.75 1.75 1.75 1.7	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14,508 Open int. 365,263 401,170 305,839
.810 .A20 revisus de F PHILA LESO .S95 .S95 .S95 .S90 revisus de F THIRES I THIRES I THIRES I US	32 2.4 1.7 1.7 vol. Cal Ma 0.8 0.3 0.2 1/2 vol. Cal 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 1 264 Put 264 Put 264 Put 264 Put 264 Put 265 Pu	3.79 3.11 2.57 3.11 2.57 44.78 44.78 44.78 45 46.78 46.78 47 47 47 47 47 47 47 47 47 47 47 47 47	3.74 3.18 av. day's c GPTHON 1,33 1,06 0,94 Prev. day' 5,466,51 12 94 04 94 04 94 04 94 04 94 04 94 04 94	0.2 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 24,6 25 24,6 2 2,500 (5 2) 24,6 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	0.91 1.23 1.61 1.61 28 Puts 51 per Did PUTS	1.57 1.94 2.36 .083 May 0.85 1.07 1.35 14,508 Open Int. 395,263 401,170 305,839
.810 .A20 revious de F. PHE. A Srike 1505 .5900 revious de F. THERES 	32 2.4 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 1 254 Put 1 254 Put 254 Put 254 Put 254 Put 255	3.79 3.11 2.57 3.11 2.57 44.78 44.78 44.78 45 46.78 46.78 47 47 47 47 47 47 47 47 47 47 47 47 47	3.74 3.18 av. day's c GPTHON 1,33 1,06 0,94 Prev. day' 5,466,51 12 94 04 94 04 94 04 94 04 94 04 94 04 94	0.2 0.4 0.7 0.7 0.9 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 6 Calls 34,6 2,500 5 8 14 18 18 18 18 18 18 18 18 18 18 18 18 18	0.91 1.23 1.61 1.61 1.61 1.61 1.62 1.65 1.75 1.75 1.75 1.75 1.75 1.75 1.75 1.7	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open int. 305.263 401.170 305.839
.810 .A20 revious de F. PHILA E. PHILA LISIO LIS	32 2.4 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 1 264 Put 1 264 Put 264	3.79 3.11 2.57 2.57 2.57 2.57 2.57 2.57 2.57 2.57	3.74 3.18 wv. day's s GPTnON 1.33 1.06 0.94 Prev. day' 1.22 94 04 94 04 94 04 94 04 94 04 94	0.2 0.4 0.7 0.7 0.9 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 76 Cults 34,5 2,500 (\$ 2,500 (\$ 3 100 100 100 100 100 100 100 100 100 1	0.91 1.23 1.51 1.51 23 Poss 51 per DAA PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14,508 Open int. 365,263 401,170 305,839
Jevicus de Principal de Princip	32 2.4 1.7 1.7 vol. Cal Ma 0.8 0.3 0.2 1.2 vol. Cal 1.2 v	5 ? ? ha 264 Put ha 26	3.79 3.11 2.57 2.57 2.57 2.57 2.57 2.57 2.57 2.57	3.74 3.18 wv. dey's c OPPINON 1.33 1.05 9.84 Prev. day' (MASQ 51 12 94 14 94 14 94 14 94 15 13 94 15 13 94	0.2 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 24,6 2 2,500 (\$	0.91 1.23 1.51 1.51 23 Poss 51 per DAA PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open int. 305.263 401.170 305.839
Jevicus de Principal de Princip	32 2.4 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 1 264 Put	3.79 3.11 2.57 2.57 2.57 2.57 2.57 2.57 2.57 2.57	3.74 3.18 wv. dey's c OPPINON 1.33 1.05 9.84 Prev. day' (MASQ 51 12 94 14 94 14 94 14 94 15 13 94 15 13 94	0.2 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 24,6 25 25 26 26 26 26 26 26 26 26 26 26 26 26 26	0.91 1.23 1.61 1.61 28 Puts 51 per Divig PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open int. 305.263 401.170 305.839
J. St. O. J. St.	32 2.4 1.7 1.7 vol. Cal Ma 0.8 0.3 0.2 1.2 vol. Cal 1.2 v	5 7 7 1 264 Put	3.79 3.11 2.57 2.57 2.57 2.57 2.57 2.57 2.57 2.57	3.74 3.18 wv. dey's c OPPINON 1.33 1.05 9.84 Prev. day' (MASQ 51 12 94 14 94 14 94 14 94 15 13 94 15 13 94	0.2 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 24,6 25 25 26 26 26 26 26 26 26 26 26 26 26 26 26	0.91 1.23 1.81 1.81 1.81 1.81 1.81 1.81 PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open int. 305.263 401.170 305.839
J. Sto. J. Sto	32 2.4 1.7 1.7 vol. Cal Ma 0.8 0.3 0.2 1.2 vol. Cal 1.2 v	5 7 7 1 264 Put	3.79 3.11 2.57 3.11 2.57 4ARRICAS 4ALLS — APP 1.00 0.74 0.53 48 2.073 POLLAR 7 —0.0 7 —0.0 8 —0.0 8 —0.0 8 —0.0 9 —0.0 9 —0.0 9 —0.0 9 —0.0 9 —0.0	3.74 3.18 wv. dey's c OPPINON 1.33 1.05 9.84 Prev. day' (MASQ 51 12 94 14 94 14 94 14 94 15 13 94 15 13 94	0.2 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24 15 24,6 25 25 26 26 26 26 26 26 26 26 26 26 26 26 26	0.91 1.23 1.61 1.61 28 Puts 51 per Divig PUTS	1.57 1.94 2.36 .063 May 0.83 1.07 1.35 14.506 Open int. 305.263 401.170 305.839
JETO JAZO Previous de E PHILLA STREE PHILLA STREE JAZO PREVIOUS DE TEMPLES DE LES PHILLES PHILLES DE LES PHILLES DE LES PHILLES PHILLES DE LES PHILLES DE LE	32 2.4 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 10 264 Put 10 26	3.79 3.11 2.57 3.11 2.57 4ARRICAS 5ARRICAS 6ARRICAS 6ARRI	3.74 3.16 3.16 W. day's c GPT1000 1.33 1.06 0.84 Prev. day' (8/48-0 \$1 22 94 24 94 24 94 24 94 24 94 24 94 25 94 26 94 27 94 28 94 29 94 20 94 21 94 22 94 24 94 25 94 26 94 27 94 28 94 28 28 94 28 9	0.3 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.7 0.7 0.7 0.7 0.7 0.7 0.7 0.7 0.7 0.7	24 15 76 Cults 34,4 2,500 (\$ 2,500 (\$ 2,500 (\$ 2,500 (\$ 2,500 (\$ 3,500 (\$ 2,500 (\$ 3,500 (\$ 2,500 (\$ 3	0.91 1.23 1.81 1.81 23 Pote 51 per DAA PUTS	1.57 1.94 2.36 .063 1.07 1.35 1.07 1.35 14.506 205.263 401.170 305.263 4.511 1.754
.810	32 2.4 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 1 264 Put	3.79 3.11 2.57 is 150. Pri MARK/\$ ALLS — All S ALLS — ALC 0.74 0.53 0.04 0.74 0.53 0.00 0.74 0.05 0.74 0.05 0.74 0.05 0.74 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75	3.74 3.18 av. day's s GPTHON 1.33 1.05 9.94 Prev. day' \$440, \$1 12 94 04 94 94 94 94 94 94 94 94 94 94 94	0.2 0.4 0.7 open int 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24, Carle 3 2,500 6 2,500 6 34 36 30 31, Carle 3 31, Carle 3 34,17 93,95 94,73 94,53 94,53 94,53	0.91 1.23 1.61 1.25 1.61 1.61 1.61 1.61 1.61 1.61 0.69 1.15 1.75 1.75 1.75 1.75 1.75 1.75 1.75	1.57 1.94 2.36 .083 May 0.85 1.07 1.35 14.506 Open int. 395.263 401.170 305,239
E PIGE A STREE LISSO LIS	322 24 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 1 264 Put	3.79 3.11 2.57 2.57 2.57 2.57 2.57 2.57 2.57 2.57	3.74 3.18 wv. dey's c OPPHON 1.33 1.05 0.84 Prev. day' (MMA) 51 12 94 14 94 14 94 14 94 14 94 15 13 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 16 16 16 16 16 16 16 16 16 16 16 16 16	0.2 0.4 0.7 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24,500 (5) 2,500 (5) 2,500 (5) 34,88 30 1, Calla 3 1, Calla 4 1, Calla 3 1, Calla 4 1, Calla 3 1, Calla 4 1, Calla 4 1, Calla 4 1, Calla 4 1, Calla 5 1, C	0.91 1.23 1.61 1.29 1.61 1.81 1.81 1.81 1.81 1.81 1.81 1.81	1.57 1.94 2.36 .083 1.07 1.35 1.07 1.35 14,508 205,263 401,176 305,639 2,961 4,511 1,754
.810	32 2.4 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	5 7 7 1 264 Put	3.79 3.11 2.57 is 150. Pri MARK/\$ ALLS — All S ALLS — ALC 0.74 0.53 0.04 0.74 0.53 0.00 0.74 0.05 0.74 0.05 0.74 0.05 0.74 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75	3.74 3.18 wv. dey's c OPPHON 1.33 1.05 0.84 Prev. day' (MMA) 51 12 94 14 94 14 94 14 94 14 94 15 13 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 14 94 16 16 16 16 16 16 16 16 16 16 16 16 16	0.2 0.4 0.7 open int 0.5 0.5 0.5 0.5 0.5 0.5 0.5	24, Carle 3 2,500 6 2,500 6 34 36 30 31, Carle 3 31, Carle 3 34,17 93,95 94,73 94,53 94,53 94,53	0.91 1.23 1.61 1.25 1.61 1.61 1.61 1.61 1.61 1.61 0.69 1.15 1.75 1.75 1.75 1.75 1.75 1.75 1.75	1.57 1.94 2.36 .083 May 0.85 1.07 1.35 14.506 Open int. 395.263 401.170 305,239

C Holdings plc (X)

-0.1 3.753 1.9 1.3965 3.753 -0.1 1.3965 2.0

26.8 ~3.5



Results for 1996

	<u>-</u>	
For the year	1996	1995
Profit before tax	<i>£4</i> ,524m	£3,672m
Profit attributable to shareholders	£3,112m	£2,462m
Earnings per share	117.61p	94.01p
Dividends per share	41.00p	32.00p
Capital resources	£23,486m	£21,324m

- Pre-tax profit up 23% and attributable profit
- In Hong Kong dollar terms pre-tax profit up 22% and attributable profit up 25%
- Earnings per share up 25%
- Dividends per share up 28%
- Second interim dividend of 26 pence per share, with scrip dividend alternative
- Total capital ratio 15.3% and tier 1 capital ratio 9.9%

Comment by Sir William Purves. Group Chairman

- 66 The good results of HSBC Holdings in 1996 demonstrated solid growth in our business and improved profitability in all of the major geographic regions where we operate.
 - "The Board of Directors has declared a second interim dividend (in lieu of a final dividend) of 26 pence per ordinary share payable on 30 April 1997, about a month earlier than in previous years.
 - "This excellent performance would not have been possible without the many contributions of our staff around the world, and the Board thanks each and every one of them.
 - "Despite intense competition in all of our markets, our net interest margins improved. although, as expected, there was some contraction in Hong Kong in the second half of the year Costs were well controlled.
- "While we are satisfied with the Group's performance, 1997 will be a year filled, for us. with challenges and opportunities, marked, most importantly, by the transition of Hong Kong to a Special Administrative Region of the People's Republic of China.
- "Around the world, financial markets are consolidating and new competitive threats are arising from non-traditional participants in those markets. I am optimistic and confident that we have the people and the financial strength to meet the challenges and take full advantage of the opportunities that lie ahead. ??

Copies of the full results announcement may be obtained from Group Public Affairs, 10 Lower Thames Street, London EC3R 6AE, Unlied Kingdom

tered Office and Group Head Office: 10 Lower Thames Street, Landon EC3R 6AE, United Kingdon

Eurine Barik Limited 7,00 Pingensial & Gen Barik, 7,00 eRobert Fleming & Coll.00 **F**00 600 6.00

BASE LENDING RATES

Undy Trust Stock Pic 8.00 Wastern Trust 8.00 Vithamory Laidfan 8.00

uts 6363, Previous dey's open st., Calls 525908 Pr I**C CHYTICAIS** (LIPPE) SFr t*m* points of 100%

The 1996 Annual Report and Accounts will be sent to shareholders on or about 25 April 1997. ated in England with limited liability

Côte d'Ivoire BHP shrugs off cost of Magma pins hopes on two projects

By Kenneth Gooding, Mining Correspondent

Côte d'Ivoire, whose economic prosperity depends heavily on cocoa and coffee, hopes two US\$1bn projects will propel it into the front ranks of West African mining countries in the early part of the next century.

Falconbridge, the Canadian group, is considering a nickel project at Biankouma, in the west of the country, to produce about 30,000 tonnes a year, according to Mr Mohamed Lamine Fadika, minister of mining and petroleum resources.

Côte d'Ivoire also hones at last to be able to exploit generate employment for some of the most extensive iron are deposits in West Africa, at Mount Nymba and Mount Kalavo

There is 3bn tonnes of ore in the deposit but it has been considered uneconomic ing companies and starting and 46 per cent.

Mr Fadika says the discovery in 1994 of natural gas just offshore in the Atlantic Ocean should change the picture. Gas could be piped 400km from the port of San Pedro to the Mount Nymba deposits and used to transform ore into iron pellets.

His government is talking to a subsidiary of Normandy Mining of Australia, a Chinese metals group and a been started in Côte d'Ivoire, local state-owned mining requiring investment of entity, Sodemi, about a proj- \$1.5bn. Mr Fadika says natu-

Mount Nymba is on the border with Guinez, which has had similar difficulties getting a large iron ore project on its side of the border into production. Mr Fadika says his government is talking to Guinea about At present, households sharing the cost of a new rail link between the iron and expensive timber and ore and nickel fields and San charcoal for fuel

COMMODITIES PRICES

Pedro. This could be used to

export the minerals. Gencor of South Africa has been looking at the Guinea iron ore project and considered a rail link through neighbouring Liberia, a scheme that has not made progress because of Liberia's political problems.

Mr Fadika says Côte d'Ivoire wants to develop mining as a "second economic pillar" to buttress its income from cocoa, of which it is the world leading producer, and coffee, where it ranks seventh.

He hopes both the nickel and iron pellets schemes will be operating by 2002 and will 1.500. The nickel project would also benefit from the natural gas pipeline if it was developed.

The government is seeking to attract international minbecause the iron content is to reform the administrative relatively low at between 33 framework in which the mining and oil industries have to operate.

> To date, 23 international mining companies have applied for exploration permits and about \$30m was spent on mining exploration in the country last year, mostly looking for gold. The country already has two operating gold mines, producing two tonnes a year

Several oil projects have ect to produce 1.5m tonnes of ral gas will be used primar-pellets a year. ral gas will be used primar-ily to generate electricity and to make butane gas. It is hoped that a domestic

supply of about 30,000 tonner a year of butane gas would encourage its use and curb the effect of deforestation caused by cutting firewood. mainly use increasingly rare It was difficult not to
assume that Mr Burgess
Winter's resignation as
The two men are working
together to ensure a smooth
transition as Mr Lewis eases chief executive of BHP Cop-

per, the world's second biggest copper business, was not entirely voluntary. Australia's biggest corpora-tion, paid US\$2.4bn in January 1996 for Magma Copper of the US and in the process

charge of a new division combining BHP's and Magma's copper operations. The first financial results from the division were a shock. BHP Copper reported a 55 per cent drop in earnings for the first quarter of 1996, saying much of the fall

resulted from problems at

former Magma operations. Shareholders at the AGM heard that cash operating costs at the Magma properties had jumped from 68 US cents a pound of copper produced at the time of the takeover, to 85 cents.

When, after less than a year in the job, Mr Winter said he would retire, some observers concluded that he was being pushed out.

Mr Winter laughs at this suggestion and leaves it to his successor, Mr Jim Lewis, a BHP employee for 25 years, to explain. "It was always intended that Burgess would oversee the integration and bed down the new management. It took only 12 months but it could have taken three or four years. There is no substance in suggestions that he is being forced out."

into one of the most important executive roles within the BHP group.

For the past three years Broken Hill Proprietary, Mr Lewis, 53, has been executive general manager corporate planning and administration. He insists that the jump in Magma's costs was a recruited Mr Winter, the US temporary phenomenon. company's president, to take

There is nothing fundsmentally wrong with Magma. There are no structural issues." When the halfyear results were reported in December, BHP said 7 cents a pound had been cut from US copper production costs. Mr Prescott said Magma had been profitable in the second quarter and results from North America, although "unfavourable", were

Mr Lewis says suggestions that BHP carried out a purge of Magma management are also untrue. Most senior managers kept their jobs, he says, except the chief financial officer, who was replaced by a BHP executive, but that is what usually happens after a takeover."

The Magma acquisition was one of the most important steps in BHP's recent history. Not only did it make the "big Australian" second only to the state-owned Codelco in Chile as a copper producer, it also gave it a solid base in the US, the world's biggest copper consumer. It also gave BHP some copper smelting capacity for the first time.



There is nothing fundamentally wrong with Magma. There are no structural issues \$ Jim Lewis, BHP Copper chief executive

team that brought Magma copper-gold mine, the Robinback from the dead. It was a son in Nevada, and a sucloss-making business that was soun off by its parent. Newmont Mining, in 1987 when Magma was the highest cost copper producer in the world, was loaded with debt and had only limited reserves of ore. After dealing with the core cost problem, Mr Winter completed the

Mr Winter headed the Magma revival with a new cessful \$250m offer for Tintaya, Peru's second largest copper producer, when that was privatised.

Nevertheless, BHP has been criticised for buying Magma at the top of the market - when both equity and copper prices were riding high. Mr Lewis shrugs and

says: "You buy the asset you want when the asset you want is available. An intelligent acquirer seeks to recover the premium by building the business. That's what we intend to do."

A seven-year plan has been developed for the copper business, "to put us in a cost position to make a satisfactory return at the bottom of the economic cycle. The plan's objectives could

be achieved from organic growth but "we also hope for some opportunistic acquisitions". Mr Lewis acknowledges any purchase would have to be sizeable to warrant BHP's attention.

He says that technology will also play its part in building a bigger BHP Copper. BHP has a big research capability which will be combined with Magma's expertise to build up the group's use of the low-cost solvent-extraction, electrowinning method of produc-

ing copper. The company is also using its metallurgical expertise to develop a process that might result in new ways of making downstream copper products such as rod, wire and

Mr Lewis says demand for copper has been growing at 3 per cent a year. Admittedly, in 18 months some big new copper projects will come on stream about the same time. "But the plan reflects a sensible view of the industry's cyclicality."

Kenneth Gooding an eight month low.

Fears of Russian strike lift metals

MARKETS REPORT

By Robert Corzine and Kennath Gooding

Prices soured on the Landa Metal Exchange yesterday, helped by investment fund buying. Aluminium was at its highest for nearly a year, nickel reached a 9%-month eak and zinc touched its highest in 4% years.

The rises were sparked by nervousness in the nickel market about the prospect of a strike at Russia's Nov. ilsk combine, where the union has given the manage ment 10 days to pay backwages. Late yesterday Norilsk's sales agent, Interro-simplex, said it had received \$50m of a \$200m credit deal and this would "relieve thesituation with payment of current wages and arrears." Oil prices firmed in late

London trading after early falls. Brent Blend for April delivery, the global bench-mark, was quoted at \$18.89. a barrel in late trading, four cents up on Friday's close. much of the day after Friday's 50 cent a barrel fail. On Nymex in New York

oil prices were also weak in morning trading, with West Texas Intermediate, the US benchmark. falling below \$20 a barrel at one stage to

BP, Shell announce Shetland oil discovery

By Robert Corzine

British Petroleum and Shell have announced a "potentially commercial" oil discovery to the west of the Shetland Islands. The announcement ends a long period of silence about the companies' exploration of the area around their earlier finds at Foinaven and Schiehallion, both of which are

that although the Suilven discovwhether it was commercially viable. Suilven lies to the north of Foinaven and Schiehallion, and is about 100 miles west of the Shet-

Mr Richard Olver, deputy chief offer two new exploration blocks executive of BP Exploration, said immediately to the north of Suilven. The DTI said it would select ery was encouraging, further work companies which were keen to needed to be done to establish explore the blocks in their entirety, rather than just the parts closest to Sullven.

British Petroleum and Shell have confirmed that they would bid for the blocks, which the DTI said are The Department of Trade and not subject to a claim by the Faroe

future of the nearby contested "white zone." in which a number of oil companies have expressed interest

energy minister, said the latest discovery in UK waters "justifies the industry's continuing faith in the prospects for the west of Shetland area and confirms our belief that

Talks are continuing between there are still significant discovthe UK and the Faroese on the eries to be made on the UK Continental Shelf".

Lord Fraser said any development plan would take into account "local environmental sensitivities Lord Praser of Carmyllie, the and the interests of other sea

Foinaven, the first commercial oil field in the area, which is also known as the "Atlantic Margin," is

BASE METALS LONDON METAL EXCHANGE (Prices from Aradgemated Metal Trading) M. ALUMBHEUM, 20.7 PURITY (\$ per torne)										
	Cash	3 mths								
Close	1660-1	1687.5-8.0								
Previous	1622.5-23,5	1650-51								
High/low	1545.5	1591/1565								
AM Official	1645-5.5	1671-1.5								
Kerb close		1590-1								
Open int.	260,717									
Total daily tumquer	90.365									
B ALUMBRUM AL	LOY (S per to	nne}								
Close	1535-40	1557-8								
Previous	1523-28	1543-45								
High/low		1560/1560								
AM Official	1527-32	1549-50								

Kerb close Open int. Total delily turnover 6,008 1,440 III LEAD (\$ per tonne) 705,5-6,0 695-6 Clase Previous High/low AM Official 718-8.5 Open int. Total daily turnove 18,970 MICKEL (\$ per tonne) 8310-20 8075-80 8320/8075 8215-25 High/low AM Official 8205-10 TIN (\$ per tonnel 5805-10 High/low AM Official 5745-50 5.180

P ZINC, sp dai high grade (5 per tonne) 1206-7 Kerb çlosi 85,616 Total daily turnove COPPER, grade A (S per tonne) 2475.5-8.5 2410-11 2428-31 2372-74 2455/2450 2415/2377 Kerb close

LME AM Official £/\$ rate: 1.6195 LME Closing £/\$ rate: 1.8195 Spot. 1 6176 3 pages; 1,6150 6 pages; 1,6118 9 pages; 1,60263

115 55 +1.80 116.00 113.80 2.374 9.193 110 30 +1.20 110.60 110.00 30 974 108.95 +1.55 109.40 107.90 560 6,837 107.35 +1.45 105.90 105.90 PRECIOUS METALS

M LONDON BULLION MARKET

Gold(Troy az) \$ price £ equiv SFr equiv 361.80 222.821 534,089 x 362,15 223,549 533,787 362,70-363.00 361.80-362.10

US cts equiv.

530.75 537.10 331.65 543.50 556.60 345.30 362,00-364.00 85.00-88.00

Precious Metals continued GRAINS AND OIL SEEDS M GOLD COMEX (100 Troy oz.; S/troy oz.) MHEAT LIFFE (E per toxine) 363.4 -1.3 359.5 359.5 - 23 363.8 -1.3 366.0 363.5 52.963 79,130 366.0 -1.3 368.1 365.5 4,102 24,459 368.4 -1.3 370.2 368.5 517 10,630 371.0 -1.3 372.0 371.0 1,028 6,357 97.30 +1.70 97.20 96.10 35 220 160.10 +1.40 100.10 \$9.10 102.50 +1.60 102.50 101.25

THE PLATINUM NYMEX (50 Troy oz.; S/troy oz.) THE WHIEAT CRT (5,000bu mir; cents/60b bushe)

1,980 11,943

23,348 99,704

Latest Day's Option Total

Character Day's District B POTATORS LIFFE (2/tonne)

57,013 118,745

14,854 (5,649

Mer Stay Jel Sop Dec Mer Total

373.6 -1.3 375.2 373.5 2,757 20,526 62,837 184,520

154.30 +1.25 154.00 148.80 178 1,907 156.30 +1.25 157.50 151.00 1,674 9,151

157.30 +1.25 152.50 152.50 3 695 158.30 +1.25 - - 5 190

5292 -1.8 539.0 528.5 3.203 2.807 534.0 -2.0 543.5 531.0 18,387 59,858 539.0 -1.9 548.5 537.5 1,234 11,598 544.1 -1.8 551.5 543.0 34 3,380 551.5 -1.7 551.0 550.0 160 5,305

PALLADRUM NYMEX (100 Troy cz.: \$/troy cz.)

SILVER COMEX (5,000 Troy oz.: Centafroy oz.)

M CRUDE OIL NYMEX (1,000 barrels, S/barrel)

20.18 -0.11 20.50 19.96 41.922 85.235 19.98 -0.06 20.27 19.78 23,434 53,238 19.83 -0.03 20.11 19.62 8.731 44,963

18.62 -0.03 19.12 16.69 18.702 51.190 18.62 -0.10 18.84 18.42 10.842 53.834 18.38 -0.26 18.70 18.29 3.316 20.498 18.29 -0.29 18.62 18.24 893 12.641 18.29 -0.30 18.54 18.23 4.38 6.411

\$3.05 -0.39 \$3.90 \$2.40 19.517 39.449 \$2.55 -0.34 \$3.30 \$2.15 \$1.95 12.531 \$2.50 -0.49 \$3.30 \$2.20 \$3.338 \$11,778 \$3.10 -0.29 \$3.30 \$2.25 \$2.80 10.985 \$3.70 -0.29 \$420 \$3.30 \$1.77 \$.911 \$480 -0.03 \$5.00 \$5.40 7.063 \$4.97 \$5.00 \$7.00 \$1.97 \$1.00 \$

Sett Ony's prior change High Low Yel int 189.25 -2.25 163.75 159.50 7.400 21.010 162.00 -2.60 164.75 161.25 4.323 16.407 183.00 -2.50 166.00 163.00 823 4.901 184.50 -2.50 166.00 163.00 823 4.901 164.50 -2.50 166.00 163.00 823 4.901 164.50 -2.50 168.75 166.90 257 3.181 167.50 -2.75 170.00 167.50 455 3.881 167.50 -2.75 170.00 167.50 455 3.881

1810 -0.011 1.840 1.790 7.781 33,712 1855 -0.020 1.885 1.845 3.183 18.651 1.890 -0.006 1.900 1870 1.384 11,134 1.890 -0.005 1.902 1.886 1.388 10.518

Latest Day's Open | Ope

01.70 -0.86 62.55 61.30 19.247 33.385 61.55 -0.88 62.55 61.75 69.50 3.962 12.936 80.00 -0.43 60.65 59.60 1.905 5.716 58.75 -0.33 58.89 58.50 46 3.702 58.50 - 58.90 58.50 100 1.496

MATURAL GAS MYMEX (10,000 MINERA; STATIBEL)

M HEATING OIL NYMEX (42,000 US galls, c/LS galls.)

ENERGY

E CRUDE OIL IPE (S/barrel)

93.50 +0.60 -

97.40 +0.65 97.25 97.00

373.00 - 379.00 370.00 2.947 2.744
377.00 +1.75 382.00 373.50 5,872 25.284
367.50 +3.00 371.00 384.00 8,004 35,955
370.00 +4.59 372.00 367.00 277 3,048
378.75 +2.25 381.50 372.00 194 3,503
377.00 +2.00 - 374.00 25 70

MALZE CBT (5,000 by min; cents/58b bushel)

Mar	302.75	+6.00	303.00	296.00	22.094	38,850	
May	301.25	+6.00	301.75	295.25	33,803135,104		
Jul	300.75	+8.75	302.50	294.00	14,142103.335		
Sep	290.00	+6.75	290.00	285.00	2.255	13,505	
Dec	282.25	+6.75	298.50	282.50	7,731	61,926	
Mar	293.00	+8.25	283.00	288.00	332	5,210	
Total	30,414	381,815					

Herr 92.00 +0.50 92.00 92.00 8
Herr 93.50 +12.55 - - - Sup 91.50 +0.75 93.50 93.00 15
Jun 95.50 +0.75 93.50 93.00 15

E SOYABEANS CET (5,000bs min; costs/60b basket

Mary 805.00 +14.00 812.00 793.00 9,288 14,239
Mary 807.50 +14.25 815.00 797.00 34,151 75,900
July 808.50 +14.50 815.00 797.00 34,151 75,900
July 808.50 +14.50 813.00 795.25 9,200 51,147
Aug 797.00 +13.75 807.00 787.00 1,442 7,622
Sup 752.25 +11.25 756.00 791.00 243 3,284
Mov 709.50 +6.75 712.75 703.00 3,690 26,936
Total 57,849 179,830

SOYABEAN OIL CET (60,000fbs; cents/fb)

SOYABEAN MEAL CET (100 tons; \$/ton)

24.47 +0.25 24.70 24.31 9.985 7.027 24.92 +0.27 25.03 24.71 14.992 47.988 25.33 +0.27 25.65 25.10 2.076 27.871 24.11 +0.24 26.00 25.35 1,024 4.689 25.50 +0.24 25.60 25.45 101 2,680 25.61 +0.23 25.62 25.50 123 1,389 25.61 +0.23 25.62 25.50 123 1,389

17,239 70,791

now under development

Industry yesterday said it would

	TS						ME	AT A		LIV	EST	OCI	(
OC	OA LI	HE (E)	CONTO)		<u>.</u>	<u></u>		VE CAT	TLEC	ME (40	,000lbs	Centz	
		Day's			,	Ореп		\$ett	Day's	•			Open
	-	Charge.	iligh	100	Yes	int.		Prize	change	High	FOM	Yes	ink
	894		895			6,555		68,100			67,600		27
	904		907			33,981					69,175		
	921			902		14,453							21,180
	939					13,885	Ang						18,779
	946			932		20,360			+0.1	67.950	67,600	987	12,998
	986	i _. +8	962	951		21,530	Dec	89,775	+0.175	69.950	69,550	513	5,375
		٠.			7,786	132,337	Total				•	16,765	104,217
00	OA C	CE (10	tonnes	: S/ton	nes)		異世	AN HO	GS CN	Æ (40,0	XXXXXXX	cents/	bs)
	1260	+14	1262	1248	14	479	Apr	74.075	-0.4	74,400	73.800	3.190	15,816
	1315	+22	1317	1257	4,651	35,402)				79,300		
	1341	+25	1342	1318	380	18,955							2.422
	1370	+26	1370	1348	79	10,765	Aug	74.550			74.150		2212
	1398	+24	1398	1380	287	6,296	0cž				66,850	38	1,491
	1424	+20	1415	1404	468	15,383	Dec	65,300	+0.075	65,300	64,800	30	784
					5,959	B1,485	Total					5,684	33.676
OC.	OA (IC	(CO))R's/to	nne)			E PC	RK BE	LLES	CME (4	0,0000	e; cen	49/lbs)
8	_	_	Pri	ice -	P	rev. day	Har	82.190	+0.175	82,350	80.850	651	1,313
_			1007.	58	1	1014.29	May	83,725	-0.225	84,100	82.250	2,230	4,655
							Jac	83.025	+0.15	83.150	61.500	255	1,099
OΉ	RE U	FFE ISA	(serina				Acq	80,000	+0.25	80.500	79.300	35	499
_	1642	+57	1650	1620	547	4,180	Tetal					3,177	7,566
	1652		1660			23,298							
	1852		1656			9,611	LO	NDO	N TH	Kade	:D O	PTK	ons.
	1640	+40	1843	1625		4.380	Strate	price :	S toom	e C		P	uta —
	1625	+40	1630	1613	341	1,910		-				•	
	1610	+35	1625	1603	72	376		UNENIU 6) LME				•	
					G,622	43,785				Apr		Apr	ᆌᅜ
OFT	きぐ	CSCE	(37,50	OEDS; C		(80)						23	46
_					_		1700			- 21	64	- 48	69

184.85 +8.00 185.50 178.00 1,738 24.292 173.70 +7.10 174.00 169.00 1,798 7,798 162.55 +4.40 163.25 159.00 402 4,030 150.95 +4.80 151.00 147.50 138 2.841 142.50 +6.00 142.50 140.00 COPPEE (ICO) (US cents/pound) # WHITE SUGAR LIFFE (S/torme) 307.4 -1.6 310.0 305.0 1,306 13,861 306.6 -1.5 309.4 304.2 175 4,164 302.2 -1.8 307.0 300.7 50 2,854 301.2 -22 303.0 300.8 20 793 302.8 -1.3 301.6 307.8 10 529 303.3 +1.2 301.7 301.7 - 159 10.84 -0.13 11.08 10.6810.246 73.226 10.64 -0.08 10.80 10.53 3.038 31,185 10.67 -0.12 10.73 10.55 1,465 23,517 10.50 -0.10 10.22 10.58 435 8,578 10.61 -0.10 10.68 10.00 111 1,781 10.60 -0.10 10.64 10.64 3,039 575

FREIGHT (BIFFEX) LIFFE (\$10/Index point) -17 1450 1445 -20 1500 1490 -5 1255 1240 -10 - -1445 -17 1490 -20 1255 -5 1390 -10 1405 -10 1405 -10 FUTURES DATA

The Tea Broker's Association reports strong demand. Landed bright Sunand invoices sold very well with a top price of hnodes sold very wall with a top price of 270 pence for the best. Good liquering Kerrya teas moved dearer white coloury mediums advanced 4 to 8 pence. Offshore keen competition with prices gaining several pence, particularly coloury dusts. Quotations: this sale landed best available 270p/kg. good 138p/kg., good medium 125p/kg. medium 177p/kg., two medium 95p/kg. nom. The highest price realised this week was 270p for a Burundi pd.

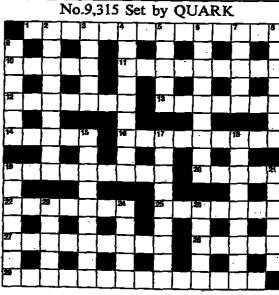
2612 +38 266.0 262.5 5,084 12,678 2616 +39 262.0 264.6 11,842 46,900 2618 +4.1 260 264.5 3,882 28,179 2613 +39 253.0 269.5 575 6,824 240.0 +33 242.0 238.8 281 3,809 2632 +24 224.5 222.5 197 2,865 2504 167,769 SUGAR "11" CSCE (112,000lbs; cents/lbs) 19,700 142,000 M COTTON NYCE (50,000lbs: cents/lbs) 73.98 +0.17 74.35 74.10 127 237 75.60 - 76.10 75.60 2.550 31.513 76.50 +0.05 77.15 76.75 679 12.113 77.13 -0.05 77.30 77.10 14 1.384 77.30 +0.02 77.40 77.16 367 14.447 78.05 +0.05 78.13 78.00 22 1.079 5.568 61,465 Mar May Joi Oct Dec Mar Total ORANGE JUICE NYCE (15,000lbs; cents/los) 78.00 +2.50 79.40 75.50 2.500 2.406 81.80 +2.70 82.40 78.30 3.156 14.335 84.70 +2.60 85.20 81.60 518 4,821 87.10 +2.20 87.75 84.25 80 3.433 89.15 +2.00 89.00 66.40 107 1,040 97.15 +1.75 92.00 89.10 64 431 ipe (Apr) OTHER Open Interest and Volume data shown for configurate traded on COMEX, NYMEX, CST, NYCE, CME, CSCE and IPP Chude Oil are one day in amans. Volume & Open Interest totals are for all traded months. **INDICES**

Reuters (Base: 18/9/31 = 100) Feb 28 month ago year ago 1950.7 1942.4 2128.6 E CRB Putures (Base: 1967 = 100) Feb 28 Feb 27 month ago 242.41 242.72 month ago 36 GSCI Spot (Base: 1870 = 100)

ME COPPER (Grade A) LME E COCOA LIFFE May Apr May Apr May 10 - -10 28 - -LONDON SPOT MARKETS E CRUDE Off. FOB (per barrel) \$17.05-7.15w -0.88 Heavy Fuel Oil Naphtha \$84-86 \$187-189 \$185-187 \$171-179 10171) 359 8792 10.35 Gold (per troy oz)& Silver (per troy oz)& Platinum (per troy oz.) Palladium (per troy oz.) **\$362.**75 \$387.50 \$150.00 -2,50 Copper Lead (US prod.) 120.0c 45.00c Tin (Kusia Lumpur) Tin (New York) 14.19r 268.50 -0,05 -3,00 Cattle (live weight) Sheep (live weight) Pigs (live weight) 99.17p 145.60p 81.27p Lon. day sugar (raw) Lon. day sugar (wte) Berley (Eng. feed) Metze (US No3 Yellow Wheat (US Dark North \$271.70 5108'00 Duri Rubber (Mar) V Rubber (Apr) V Rubber (KL RSS No.1) 79.50c 79.50p 303.0x Cocorut Oil (Philis Palm Oil (Malay.)S Copra (Philis Soyabeans (US) Cotion Outlook!A' Index 785.0y **577.5**x +2.5 Wookops (64s Super)

JOTTER PAD "True strength lies in having the courage to do the right thing." KAZUO INAMORI, founder of Kyocara KYOCERA, world leader in high-tech ceramics. Fax 00 49 - 21 31 - 12 93 40

CROSSWORD



1 Gentle Aunt Ruth unlikely 2 Character of CD known for to submit to ordeal (3,3,8) servility (5.4) 3 Wild animal row about bit of ground (5) 11 It contains the leaves (9) Complaint in which pH 12 For one who draws, has art may seem out of order (9). excited the unknown? (?)

18 Student follows up opportu-nity in church (7) 14 Scene of action in Harare, Nairobi etc? (5) 16 Result of total discharge? 19 I'm left a number of books of great consequence (9)

20 Chief in river coming back in sailing vessel (5) 22 Pampers pets (7) 25 Variety of new coffee?

Some say don't take it (7) 27 Such massacres in France in 1792! (9) 28 Better reduce endless

29 Study port with perception

17 I pour port out for a mixed gathering (9) 18 A crank without a central axis (9)

axis (9)
19 iron sickle, only half bro Study port with perception and put out strong warning 21 With it there's finish in rugby score (6) 23 Brownish tint constant in the water (5) 24 Bit of stuff fit for a fur (5)

26 The view of the expert in

6 Lady meets non-profession-

8 "Old hat" society imbibling

9 Cloth cap turning up in

sporting occasion not the first (6)

very quiet drinks (7)

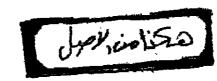
15 Compact correspondence

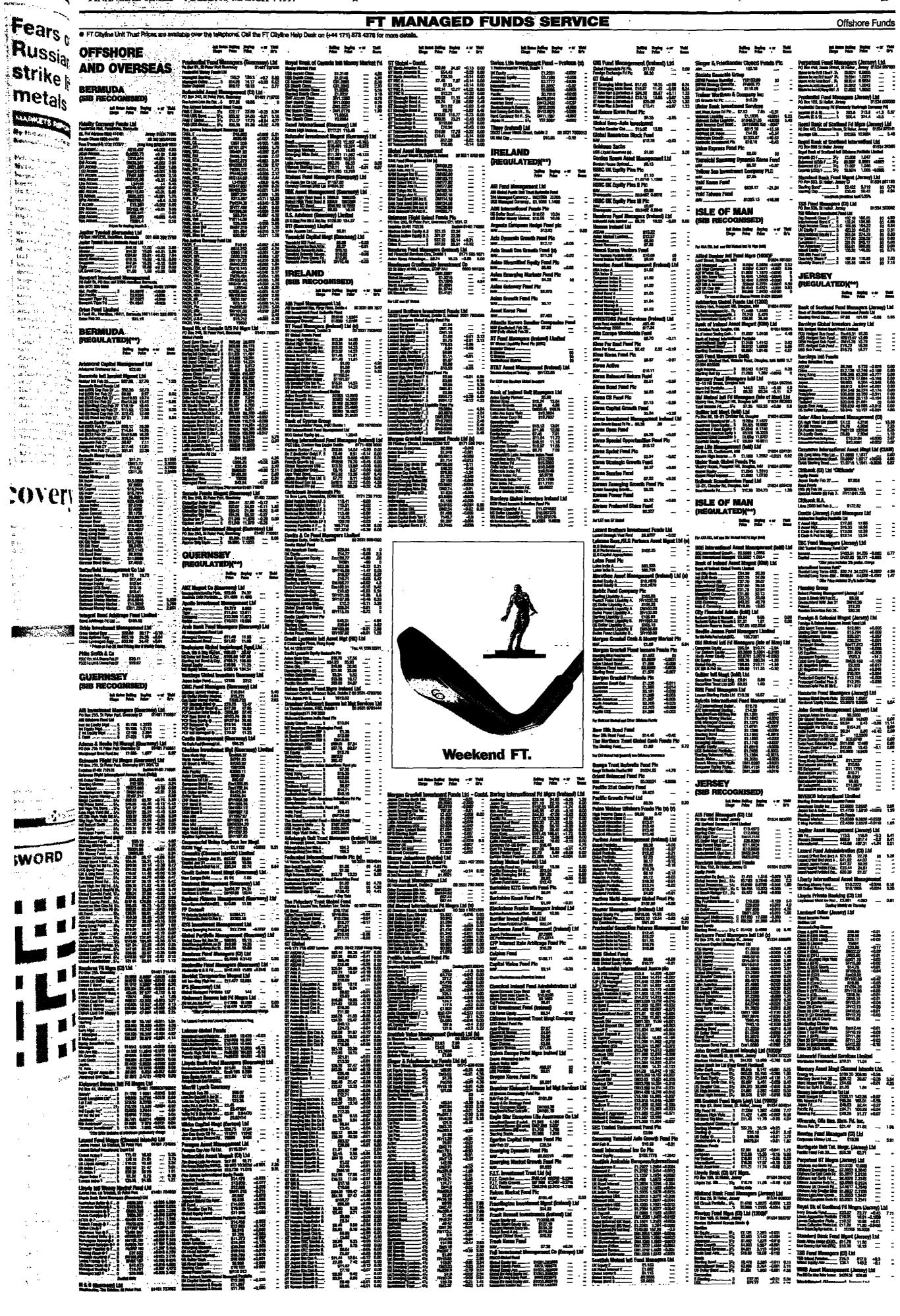
I call out the plant (5)

als? Not one. It's not

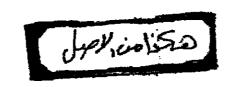
Solution to yesterday's prize puzzle on Monday March 17:

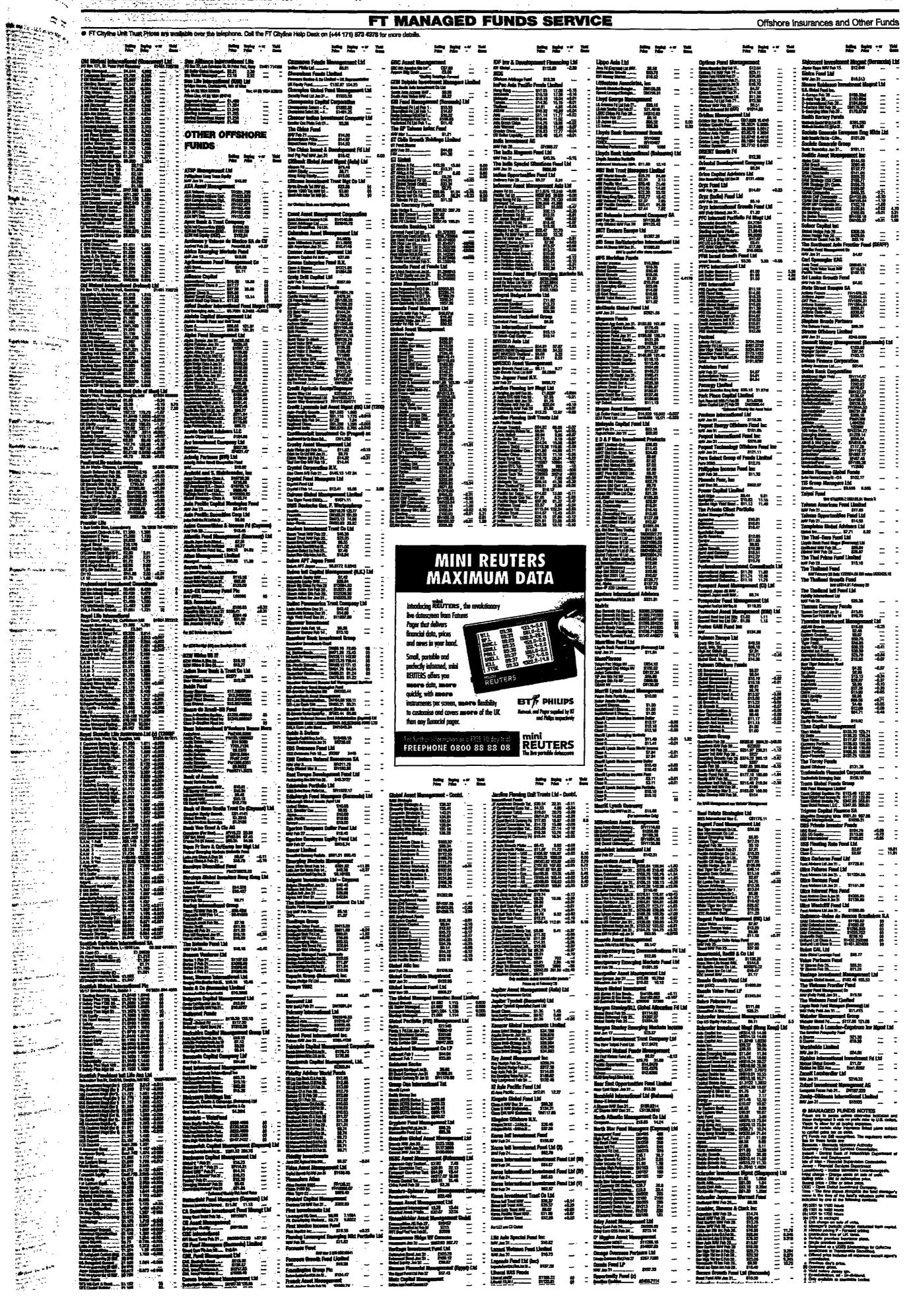
MARY STATES





30	*	FINANCIAL TIMES	TUESDAY MARCH 4 1997	
Offshore Funds and	Insurances FT MANAGED FUNDS SERVICE			المراجعة المحار المعرضية المراجعة المر
 FT Cityline Unit Trust Prices LUXEMBOURG 	are available over the belophone. Cell the FT Cityline Help-Desk on (+44 171) 873 4378 for more details.	or that the thin		
(SIB RECOGNISED)	Chape Price	Coptil. Southern International SICAN 9 Date Southern Section 400 35	City into Co. Littlification filled Sent Life - County - SCHO Transfer Western - Co. Co. Life - County - SCHOOL CO. Co	
ABN ANNO Funds (a) 4 Reg Jean Hount, 1-2180 Launthoury 352 4 Lata Maria Embr. 550 22 45 48	21 127	- 5 Court Maries Value - 540-470 31 Spail African Equation - 540-130 - 0,001 - 5 Court African Bonds - 5111 bit - 0,001 - 5 Court African Bonds - 5106-59	Street Control of the	
Admin Tigern Egypty 380.07 67 90 Europe Egypty 50.07 61.48	Color Colo	- 2014 - Sin the local Aproximate STATES - States Control - STATES		- 44
Contemp Capit	Control of Tempor L-2023 Standard Interview Control of Tempor L-		Cl. Appende Sept. Sept. Sept. Sept.	
Besture Europe Sparty F 1894 1987 280.73 Cate Sparty F 280.15 80.00 Suttypeland Sparty 280.02 144.00 Abstract Found Masors Concentioners SA for	- FIT AND SINGLE COSE SIGNED 11/05 Mark American 17744 3 and Andrew 1970 1970 1970 1970 1970 1970 1970 1970	- Beacoust Site Cent. Style 170 - 5 - Beacoust Site Cent. Style 170 - 5 - Sweets Securities - Securities - Securities - Securities - Securities	70 Series (40%) Seri 406 151 4007 0 Si limate (40%) Seri 406 151 4007 0	ng manganan
Abtrest Franci Means Commissioner SA (n 4 Beatmint Hoyal 1,744) Larcettury (0 3: Abtrest Alba Funt Gober Car Portfolio	### Colons	Subs Bank Corporation -0.08 - Foury - Australia - SSC19, 14 -0.08 - Foury - Canda - SSC107	35 South Land Journ (1996) 11 (1977) 1 (1996) 1 (1996) 1 (1997) 1	<u>ت</u> ت
Global Cast Perifolio	75	100 100	St. Company And Line Albert Sarry Chill Sarry Child Sarry Sarry Sarry Child Sarry Sarry Child Sarry Child Sarry Sarry Child	• •
Surface Porticing	CS - FFF Subst Covery - SNL19 11.20 - Add - Viver 2x x reas, many - CS - FFF Subst Covery - SNL19 11.20 - Add - Viver 2x x reas, many - CS - FFF Vall N - SNL19 11.20 - Add - Viver 2x x reas, many - CS - SNL19 11.20 - Add - CS - Add	0.08 - Season - Seaso	50 Sept. Brief	Jan 1985
Accessing to Mar	# FF UK Indication 15.09 6.05 -0.07 UK Florid Indicated 15.14 -0.00 6.07 UK Standar Com	0.12 - gp - Franch Franc 8 IPHET'S 8.5 9.11 - gp - putch Guilder 8 DEC'21 05 155 - indian List 8 L 14005/	- Engle Star Ast Life	
Nongious Rd NAV HS\$138.8231 (Indian Nat NAV	(1) Comp F 12006 +11 GAT For Michael Management of the Comp Manageme	0.02 - 07 - Prentin B. Fin 1325 0.02 - 07 - Saring B. String 14 0.04 - 07 - Saring B. String 14 0.04 - 07 - 945 Date 1 - 1325.9 10 - 15 - 15 - 15 - 15 - 15 - 15 - 15 -	Studies Secure Manay \$1.000 2 620 48,007 15 00 00 00 00 00 00 00 00 00 00 00 00 00	
UK that Mel : £11.20 -0.0 Linned Status Dir Rea	Foreign & Calculate Example Markets List Markets	Description	Logic Stoom history . 15 (18) 4 (51) 44 (56) United Graptist (1969) - 11 (67) (168) 4 (52) Horse American Floring . 15 (48) (168) 4 (52) European Equatr . 57 (2) (44) 7 (36) 4 (52) American Educatr . 57 (2) (44) 7 (36) 4 (52) American Educatr . 17 (7) (17) (2) (47) (18) Profit State Entrols . 15 (57) 1 (54) 4 (190)	gan — with
European Hydrodiumi Parlin Eccl. 1,57 - 0,1 European Hydrodiumi Parlin S24,75 - 0,6 European Hydrodiumi Parlin E15,276 - 40,0 European Hydrodiumi Parlin L4,1880 - 4	N - Bazillan for Co SCNF 850.55 +6.00 - Adv-Feets		US Defire floor)	·
		1867-77 4833-75 101 - 1864-157 - Pad987 1 101 - 1864-157 - Sch7052-86 165 - 1864-157 - Sch7052-86 166 - 1864-157 - Sch7052-84	Entranea band	and the second s
Sicher Machaller (Philip. DATA) 11 4-1 Sicher (September 1994) DATA 11 4-1 US Gravel Compension. 509-54 4-10 US Gravel Compension. 509-54 4-10 US Gravel Compension. 509-54 19 4-10 US Gravel Compension. 509-54 19 4-10 US final English Sacration. 509-12 509-14 US final English Sacration. 509-15 509-14 US final English Sacration. 509	Appendix	100 - 150 1	- US DOOM MAD (79) - 51,994 2003 4002 - US DOOM MAD (70) - 51,955 1 May 4003 - US DIM Franciscotor - 51,955 1 May 4003 - US DIM Franciscotor - 15,957 10,750 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40,050 - 15,954 20,050 40	
15 Grands Companion. 528.4 49 4.0 15 Grands Companion. 528.5 49 4.0 5 Grands Contraction. 528.5 49 4.0 5 Grands Contraction. 528.5 49 4.0 5 Grands Contraction. 528.5 52 4.0 5 Grands Contraction. 528.5 52 4.0 5 Grand Contraction. 528.5 52 4.0 5 Grand Contraction. 528.5 52 4.0 5 Grands Contraction. 528.5 52 52 52 52 52 52 52 52 52 52 52 52 52	100 100	100	- Latin Associate (Author St etc.) 1.54 - 0.000	-
10 Piccodily, Lundon VP1V OEE 9171 73 Internation WIV Feb 14 F. \$843.95 +8.97 Internations Floral	- Sandid Bards - 3 87/27.65 - 5 5998 - 55.20 - 15 5 - 5 5800 Sangui Fig. N 527 3 - 15 - 15 100 S	04 - Genet Est Reterrord B . Epri 231 258 .54 - State 57 house B . Strict 92 Strict 57 house B . Strict 92 .07 - State 57 Greeth . Strict 92 .07 - State 57 Greeth . Strict 93 .08 - Strict 93 57	"Rism good an Styring represent, Equationis (Life (International))	
Convertible (USS) Feb 16 . \$7.20.97 Convertible (USS) Feb 16 . \$7.60.95.51 Intl Board (USS) Feb 16 . \$589.82 Conduct (USS)		10	Sections	:
UK Spathy	Comparison Com		Manage 12,765 7 942 40 101 . 80	.*
Jacobskie Frank VS17 _4	10 10 10 10 10 10 10 10	Power Par CV 1004 Ag	Paten	-
Stephing Franch Lett, Der	10 17 17 18 18 18 18 18 18	US Cose Bantles \$11.83 \$10.54	- Grand Capity - 51 561 1,045 4,000 - 67 149 1,266 40,000 - 67 149 1,266 40,000 - 67 149 1,266 40,000 - 67 149 1,000 1,0	a de la companya de l
Global Equally	_ 1/10/44 1/40 1/4 1/4 1/4 1/4 1/4 1/4 1/4 1/4 1/4 1/4	US Small Cap Bigston	S Statement County 58-49 10.74 S Currency & Board 53-40 10-12 S Batement 10.11-21 0.1214 £ Currency & Board 10.0000 0 1125	e e e e e e e e e e e e e e e e e e e
Switch Franc Short Form Cag Stick 100	- 20 After Controlling 10 152 of 2470 Series 1.520	Templative Energing Asia + 0.0 Nov. S134+ + 0.0 Templative Russian & East Encopens Do	Exercities Assertance Greens Formula Han IS S. Arber SI. Exist 647 (7771—86 1151 4 Stocking Custocout F4 20.04 esta Exercised F4 75 4 December 19 and 147 5	er en
Bonger Indones: 39 Alian Sciedor, L-2520 Levenhory 00267- 100567-100667 Sont Co. 19914-19 Indones Indonesia 514-19 Barciago Diversified Porticilio (2)	True of a Marcin - acc - Harber L - 1720 Locationary State Locationary L	- Tomer Fund - Glad Burd	Photocol Informational List PO Box 173, St. Pear Part, Commany 61481 715000 left 5 Strangy 64 31 545 1 865 left Commany 64 1 585	
20 means J.P. Namody, 1–2051 878 Oralischapt Receive 200539 878 Styling Receive 20128 878 LSS Dollar Receive 20128 878 LSS Dollar Receive 20128 878 LSS Dollar Receive 20128 878 Roth American Board 202 22 878 Roth American Board 202 22	- Both American Co. 255.27	- Tracely, Browne Velge Funds - 15 Value - 583-96	tell C Straings (4)	Company of the compan
BPS Emerging Medicin. \$22.44	Part	Unico Financial Services SA Lux Unico Invest. Find	3.00 Approxime 19 Oil Material State of Contract of Co	1 222 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
BPH Japan	Sing City 52 1 12 4 2	- Cition Statistic Private	Additional of the principal largest	e e e e e e e e e e e e e e e e e e e
SPA Medged States In Co. 2012 107 APP Medged Geland St Fir RMS.H Barrolays hav Founds (Lucrosyldonory) 28 Paces do in Caro, 1—1618 00 352 40	US Order Presence 30.45 A.52 Everytages Dist H _ 6 192.07 Sources Controls Editories Saches Anna Post Feb 26 210.00 210.00	Short Term (FDR \$1327.89	Ind C Strategy 103914 (1993) Ind C Strategy 103914 (1993) Ind Did Strategy 103914 (1993) S Orderson Strategy 103019 (1993) S Appentative Strategy 1030827 (1927) Rational Strategy 1030827 (1927) Rational Strategy 1030827 (1927) Administrated by Cell Surgar (1929) Administrated by Cell Surgar (1929)	and the second s
Equity Finals Exception Sparty — 5% Cr. 884 1,801 +8,001 Mill Sparty — 5% 52,077 2,144 — 1,001 Month Ans Coty — 5% 52,09 63,05 -0,54 Peorific Sparty — 5% 170 19 18,33 +8,546 UK Equity — 5% 17 502 1,522 -0,003		FIFE (1993)	Friends Providest intersectional April Nass. Sh Eurob. St Page Pt. Cop. 01401 706210 Namens	
Marcality and Board 37	IK Smaller Cos	Booth Pagift & Adda \$100.57 US Equity 57853.32	Securitation Efficial 141.1 1542 48.1 - Good Equate Ground 145.1 154.2 48.1 - Good Equate Ground 143.2 154.4 - 48.5 - Far East Owner 143.2 154.4 - 48.5 - 64	** · ** · *
CAR Asset Menagement (Lichardoury) SA 166 mais d'Adot, 1-670 Sameyo Luz 00 52 377 CAR Menogat laboration Feet de betrochung Bood	8211 Japanest Strader Con. 252.6 77.2 -0.05 - Galai Englis 6 9.001 9.007 -0.007 0.25 Disconfine 1 10.00 - 10.00 Feb. 10.00 10.	VLS Figures (til hviin 10 inde Fig 25	Far Seat Directi	
CIE Cital Spherit Fred pt	Section Board 1945 11.55	Emerging Name of Employ A 512.14 12.05 +0.05	740.22 Pescand Burope Limited 740.22 Pescand Al, Studiest Co. Davis 4233 1 277 (466 665,15 UK C Codings	
Francis Equity	- 8055 - 1005 -	- The State of Good Ground Fond	USS Managed	.5 4 .
100 Carry 10134000 13200 1		- THE CHARLES FROM Hongook Co (Lory) SA - HAN Global but Break A. Serville 20, 72.25. - HAN Global but Break A. Serville 20, 72.25. - HAN Global but Break A. Serville 20, 72.25. - HAN Global Break A. Serville 20, 72.25.	3.00 US\$ Growth	and the way you go
### 1899 ### 1899	Property Street	- Will Gobal Diversitied 7, Early 40 226.5 World Treat Fland - Shaha May \$17.42	Smith Shell Bells 91 704 1 975	Bry
US Exty bates Translands S21,989 -0.200 0	- Tarment Franch - Tarm	For Whitel Water spin Baday had gitter Children Fady	US F Peed Interest 57:137 1:57 US F Feed Interest 57:107 1:105 F Feed Interest 57:107 1:105 F Feed Interest 50:00 F Feed Feed Feed Feed Feed Feed Feed	en in the second
9-ten Road	Add Top's Switch N		10(15)40 15/3 15/40 15/3 15/40 15	
Change Manchestran Vista Puncils 3 Par Photo, L233 Language 08 352 462 6	Bergenn Growth H. 17-52 B.40 -0,0000 Japan Convertible Boal C. Sector 15547 0.00 BH. Talware Pression Fland MINI Company Sect 15501 (Min) of 15642 15654 (Min) of 15645 (M	Samer Bakes + or Man Mine		
US Deliter Income	Separate Number 1.5 1.05	For ADA two Did Santoni and puls of March Additional Inchestratificated Lind Humania Han, PO Ban 237, St. Pater Pool, Gay 191481 7	2 Fixed Information (1) (235) 0.345	
State	- West Address (Septial N	Common and Programs (1970) (1970) Section Books 5	U.S. Statement 50.1947 8.1953 - U.S. S. Statement 50.1944 0.1953 - U.S. S. Statement 50.1944 0.1953 - U.S. S. Franci Internet 50.1977 0.1978 - U.S. S. Franci Internet 50.1977 0.1978 - U.S. S. Dancott 50.1978 0.1978 0.1978	75:
Little American Equation. \$198.59 pt Colorgant SA. 38 nor be Londons, 75080 Party 20 33 / 4470 75 Compart Europe GEM! 51-2-59.88	Jupiter Tyradal Global Front Product Communication (2) 511.08 — See Life Global Management Lie (a) South State Sta	Harden Herberghold S12, 512,567 13,250 Herberghold Herberghold S 512,653 14,563 H American Gentry S 54,562 4,662	US3 Pacille Acc. 20.1325 0.1713 - Hong Youn 20.4647 0.8621 - Hong Youn 20.4647 0.8621 - Hong Youn 20.4647 0.8621 - Luilo Arestina Acc. 20.1597 0.1719 - South Sun Ave. 20.1597 0.1719 - 50.1591 6art Avia . 50.1591 0.2706 -	
Commercial Onion Americanomy SA (n.) 26 Pison de la Cara, L-1610 00 352 4025200 Instruct Ing. Zenna casta la Caracaccial Males, Palilippo Pacificia	Admit Specialist Pulls 50.50 6.51 6.52 Gibbel Montes, 55.50 5.50 5.50 5.50 5.50 5.50 5.50 5.	Pendle Equity 5 25.50 8.400	US 3 Circlion	All the state of t
Reprily Press. Moreolly Income	The Country of the Co	Starting Deposit 5	- Japon Fund - 790.70 \$7.20	** 명도 - 도
Color Colo	- Marine Programme - Marine -	- 86th Seding 21,550 -0.005	100 100	-
Carte Cart	Second Pelad File	- Stella Stelling	with retrieved 1922 - 971.85 12.87 - 11.20 - 1	Street American
Emerging Countries	Horse Colore Horse Colore Horse Colore Horse Colore Horse	Japan Doller	- Warnight Christian E \$7.341	
Sig Reserve Rec	Company of Company o		Managed Ethicacol F. 2 1.205 Managed Cautions C. 21.70 Managed Grantons C. 21.70 Managed Grantons C. 21.70 Managed Grantons C. 21.70 Managed Grantons C. 21.40 Managed Granton	The selection of
Transis Bound Acc	Principles Portricks	Grid & Samural Budler	- Banaglag Michais Banky st. 49,105	
IR Investment Management SA 2 Boolvard Korrol Advancy, Lus Cognisis Bellin 96,16 Dalyrosts S84 71,49 Dalyrosts Bellin 15,25		- Starting Starting Maliets. 27,491 - Malier Regio	- TRUE OF HORSE PLANSFRANCE 135 - DAMA House, Prospect HE, Douglas, Lane 91624 424141 - Landsmoot Trus. 15477 - Catal Fourths Makes	
Deaske Fund (a)	10 10 10 10 10 10 10 10	- H. Goldon Porthile \$1.432 Januar Bandley std Mgd. \$1.846 -0.002 - Odds Date-Rechelly Fed. \$1.179 - Odds Onto Penning State. \$1.047 - Affiled Staylogy Informational Assess List 64	- Prosecuti Copile Plas A. 112.07553	And wife
Communication of the Communica		- Affied Steebar Informational Assoc Lad & Delay Steebar Informational Assoc Lad & Delay Steebar Information - 198.1 198.5 198	101 100-100 1220 100 Las 1997 Labrow International Greats	Same Albania
Pari Norman Garage	10 10 10 10 10 10 10 10	- UE Capital Street 130 RO Let 01 ne	Freed of Freeds	And the second s
Data in Profession (Long Cont.)	Figure	- Duter State	- Novembrand - 102.4 108.6	Manage Manage To
Staff by Balacted Farz Cap Bart 2551.56 - 5 95 - 5	Second S	Certical Medical Han, Douglar LO.H. (60) 44 1824 8366 - Sanding Incomp	170.5 170.6 170.5 170.6 170.6 170.6 170.6 170.5 170.6 170.5 170.	week Sin Bancon
15 15 15 15 15 15 15 15	First Fine Form Fine Form First Fine Form	US Delay Income 20,000 0,000 +0,000 0 0 0 0 0 0 0 0 0 0 0	Olic Matter Generatory a PO Box 121, St Polar Port, Generatory D1481 (2872)	
Breschitzbank Asset Mogest SA (s) 64 noise in Press 1- 2023 Similagenberg of 32 424621 19-Les Breschie Ges. Diff. 17 80.2 19-Les Breschie Ges. Diff. 18 10.2 19-Les Breschie Ges. Diff. 18 10.2 15 Nov. Control Management Lef	102 - Mail Secritory 102 - Sec. 49 14,147	UK judge Tracking	A Starting Managed	
Eigleton Global SICAV (a) 13 Ras Godin, L-1637, Luraninus (b) 332 404646213	Product Code s Section State Section Sta	- Jupitori Busty 30,386 0,367 -0,005 - Garpin Capty 50,563 0,754 +0,004 Plant Equity 50,773 (2011 +0,002) - Bustin State 50,005 1,000 4,000	D Collect for Found Information	
Eguide Portfulle Feb 27 . \$2,520 -0.003 - Reserve Portide Feb 27 . \$2,036 - For Equifical - Wright Reliabilities on Antico Missier Feet	1.00 1.00	Series Equity	Color Remay May 20 072 1043	in the second of
Fidelity Funds (u) Romalis Hai, Pace do L'Elofe, L1821 Les EP 2174 UF-8175 77757 Leo-00 332 251251210 Roger Romal Funds	WE Group France 27 (1984 - 1975 - 1977 - 1978 - 1	20.579 2	0 W. Franch Indicated	
America	Street Control Contr	Garraga Bood 20,706 0,764 -0,701	Parker Programmer Company of the Com	
Japan	UK Ge Fund	Ban (Manadad 58.50 0.507 - 6.607 6.6	Remarked High Yank \$1.500 1.000	The state of the s
### Spring Section ### Sprin		69, Citatal Salasartin 30 ASS	7 Vanuary Line (1994)	- 1864 - 1864 - 1864
Hong Rang \$25.40 -0.40 -0.00 -		Gibbs Porticio 20.257 CHI Inn Co Ltd/Clarical Mad Goo Libs Codes Madeal No., Corples, Intl. 600 440 1624 85000	Old Matteel Rody Kong Date leavy Market	· • •
	Part	Bardon Dond	Without history 1.190 1.	The same of the sa
Singuistra	Cast Seeking State Sta	- Martin Francis (Marager 1935) 0,64 -8,000 (1955) 0,95 -8,000 (1955) 0,95 -8,000 (1955) 0,95 -9,000 (1955)	Internation Recommend, 21 dec 131 Partic Sacrimantor, 10 dec 131 Partic Sacrimantor, 10 dec 131 Decigio Anna Sacrimantor, 13 dec 1127 Appareiro Sacrimantor, 21 dec 1127 Hilling Long Stackmentor, 21 dec 1127 Decigio Sacrimantor, 21 decigio 1127 Decigio Sacrimant	**L 100 / 10
•	7123 - 2.00 - 340	- 57 USD Scheduler Berged - 50-50 1.924 - 0.005 1 - 0.00		
		•		A STATE
		a		
				7020.0





CAP !! As

#PL ()

Marie Charles of the Control of the

01 - 451774911572248450 - 4572751440 # 02 - 24477491157224840 - 25727419 # 03 - 2447749115722480 - 25727419 # 03 - 2447749115722480 - 25727419 # 03 - 2447749115722480 - 25727419 # 03 - 2447749115722480 - 25727419 # 03 - 2447749115722480 - 25727419 # 04 - 2447749115722480 - 25727419 # 04 - 2447749115722480 - 25727419 # 04 - 2447749115722480 - 25727419 # 04 - 2447749115722480 - 25727419 # 05 - 2447749115722480 - 25727419 # 05 - 2447749115722480 - 25727419 # 05 - 2447749115722480 - 25727419 # 05 - 2447749115722480 - 25727419 # 05 - 2447749115722480 - 25727419 # 05 - 2447749115722480 - 25727419 # 05 - 2447749115722480 - 25727419 # 05 - 244774911572480 - 25727419 # 05 - 244774911572480 - 25727419 # 05 - 244774911572480 - 25727419 # 05 - 244774911572480 - 25727419 # 05 - 244774911572480 - 25727419 # 05 - 24477491 - 25727480 - 25727419 # 05 - 24477491 - 25727480 - 257274

TEXTILES & APPAREL

C 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 | 1

Herri Coversion & Herri Herri Group & Managements & Manage

A Street Street

52

LONDON STOCK EXCHANGE

Shares rally despite more US rate concerns

MARKETS REPORT

By Steve Thompson. **UK Stock Market Editor**

A fresh bout of interest rate jitters, mostly in the US, but also in the UK, saw stock markets on both sides of the Atlantic suffering hefty initial losses. But both recovered strongly during UK

UK equities were initially early afternoon. affected by the aftermath of last week's by-election in Wirral South, which saw a 17 per cent plus swing to Labour, a move which would see a Labour govmajority in a general election.

But two big share buy-backs in tory before sliding late in the sea- chasing Managers index for Febutilities, plus another burst of sion and closing a net 2.5 down at ruary, at 53.5, was below fore the chancellor of the exchequer, takeover speculation in the com- 2,351.4. posite insurance sector and elsewhere, helped the London market regain its composure after a rather difficult start.

At the close of a busy session, the FTSE 100 was left only 1.2 lower at 4,307.1, comfortably clear of the 4,300 level which it lost throughout the morning and

The second-line stocks fared much better than the leaders, however. The FTSE 250 was never really under pressure and settled 0.1 firmer at 4,654.5. while ernment with a comfortable the FTSE SmallCap index spent most of the day in positive terri- ment in the market. The UK Pur- meets.

The SmallCap was handicapped by a handful of exceptionally weak performers such as JKX Oil & Gas, Tunstall and PPL Therapeutics - which fell between 16 and 34 per cent.

Share prices were under pressure from the outset, with marketmakers chopping their opening levels after the weak recovery. closing performance of Wall Street last Friday when the Dow Jones Industrial Average finished the day 47 points lower.

A long list of economic news did little or no damage to senti-

427½p.

casts, but still showed growth in the economy, while the money supply statistics were also below

Economic news from the US showed the NAPM higher than expected and that triggered a poor opening to Wall Street where the Dow fell more than 40 points before staging a strong

Some market observers are growing increasingly uneasy about the possibility of the US Federal Reserve increasing interest rates on March 25, when its monetary policy committee next

£346m.

Scottish Hydro improved 41/2 of inter-company debt. SIG

Emap, the publishing and aging". Screen, the elec-

media group, suffered in the tronic security group,

sion to a management

£65m, including repayment

said that it had made good

progress during 1996 and the

1997 start had been "encour-

enjoyed a buoyant start to

first-day dealings on AIM.

The shares placed at 3p each

closed at 4p, valuing the

Profit-taking continued in

Unilever, which fell 29 to

1547%p. One analyst said

that European investors,

who had never been as

enthusiastic about the stock

as US investors, had initi-

"Cracking" was how one

analyst described results

which were ahead of expec-

tations from Millennium &

Conthorne. Analysts in uni-

son upgraded full-year fore-

Mr Greg Feehely, leisure

analyst at Dresdner Klein-

wort Benson, reiterated his

"buy" recommendation on

the hotel chain, which has 53 per cent of its room stock in either London or New York.

He said that opportunities

within the existing estate

were significant and at this

stage he believed that organic rather than

the main engine for 1997.

Millennium rose 61/4 to 383p. Granada Group rose 17% to 926%p, mainly on the announcement that it was

selling the Plaza Athenee

growth would i

FTSE Actuaries Share Indices

ustry Sectors

4019,70

1875.73

2860.41 1576.30

company at 27.3m.

ated the move.

casts

contred

FTSE 100 FTSE 250 FTSE 250 ex T

FTSE 350 Higher Yield FTSE 350 Lower Yield

FTSE SmallCap FTSE SmallCap ex IT

■ FTSE Actuaries

10 MINERAL EXTRACTION(20) 12 Extractive industries(5)

15 Oil, integrated(3) 16 Oil Exploration & Prod(12)

20 GEN INDUSTRIALS(272) 21 Building & Construction(35) 22 Building Medis & Merche(32) 23 Chemicals(26)

26 Engineering(70) 27 Engineering, Vehicles(13) 28 Paper, Pokg & Printing(27) 29 Teothes & Apparet(14)

30 CONSUMER GOODS(85) 32 Alcoholic Beverages(7) 33 Food Producers(25) 34 Household Goods(17)

40 services;273)
41 Distributors(30),
42 Leture & Hotels(31)
43 Media(44)
44 Retallers, Food(15)
45 Retallers, General(53)
47 Brawerics, Pubs & Rest.(22)

48 Support Services(56)

49 Transport(22)

69 Water(11)

60 UTILITIES(31) 62 Bectricky(10) 64 Gas Distribution(2)

70 FINANCIALS(106) 71 Benks, Retail(8)

73 Insurance(18) 74 Life Assurance(77 Other Financial(79 Property(44)

69 NON-FINANCIALS(881)

36 Health Care(16) 37 Pharmaceuticels(16) 38 Tobacco(2)

40 SERVICES(273)

Chemicals(26) Diversified Industriels(16) Bectronic & Bect Equip(39)

lowing an inspection at one

of its Zeneca's UK plants.

The shares jumped 31% to

18361/2 while BT added 2 at

ened by news of an outbreak

of contamination in south-

east England. There was also

pressure from comments by

Mr Ian Byatt, the official reg-

ulator, who said customers

would get the lion's share of

In the electricity sector,

to 360p as NatWest Securi-

ties reiterated its positive

wake of a story in one of the

Sunday newspapers, which

claimed one of the group's

directors Mr Tom Maloney

was about to leave the com-

pany. This was rubbished by

an Emap spokesman: "There

efficiency savings.

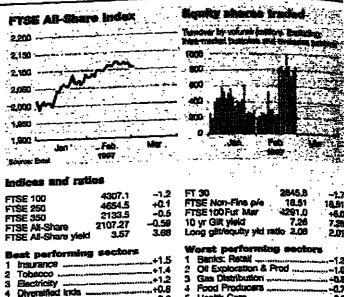
Water stocks were damp-

Few expect Mr Kenneth Clarke, to increase UK rates after his regular monthly meeting with Mr Eddie George, governor of the Bank of England, tomorrow.

Banking stocks, which have spearheaded the market's drive to new highs recently, moved in the opposite direction yesterday. with NatWest tumbling on the revelation of big losses in its interest rate derivatives activ-

Turnover at 6pm was 1.468.3m shares, boosted by the Southern Electricity and Yorkshire Water buy-backs.

Customer business on Friday was valued at £3.1bn.



Bid talk boosts Southern

By Peter John, Lisa Wood and Steve Thompson

Southern Electric, the last remaining independent regional electricity company, or rec, put on a surprisingly sprightly performance yesterday.

Part of the 7 per cent jump related to the start of the company's innovative share buy-back yesterday. This involved almost 424m 'B' shares priced at 30p and representing £127m. It was set up to avoid advance corpora-

However, the rise of 30 to 428%p more than compensated for the structural changes and dealers pointed to some genuine takeover

No names were being but analysts and dealers said that even after the rise the stock was not expensive. They added that the market might have decided an incoming Labour government was no longer concerned about the last rec los-

ing its independence. the other share buy-back stock. Yorkshire Water, had a short position. Maid is of the fallen 2% to 355%p, albeit in scheduled to announce a dull sector. Yorkshire results next Thursday. traded 357m 'B' shares.

stage as the market reacted of highly speculative take

0

6

to news late on Friday that over talk emanating from the securities arm would the options market. take a £50m hit over rogue trading

But the fall was less dramatic than it first appeared. It included the impact of the might be taking a close look stock releasing a 19p net dividend and was, in any case, pared back to an overall closing fall of only 7% to 731½p xd.

Analysts said the financial impact of the £50m hit would be easily absorbed and the shares were now cheap. Panmure Gordon pointed out only 8.8 times current-year

earnines forecast. Standard Chartered gained 241/4 to 866p with HSBC James Capel recommending the shares and with encouragement following an upgrade by Lehman Brothers at the end of last

Shares in Maid, the online business information group, were trading 8 to 9p better for much of the session until a sudden flurry of selltouted around the market, ing simultaneously hit a number of marketmakers causing a sharp fall in the share price.

> Maid shares suffered a similar fate some weeks ago when the company complained of a concerted bear raid on its shares.

Some market observers They also pointed out that claimed that the same bear while Southern had risen, raiders that hit the stock previously were still running

Commercial Union shot to National Westminster was the top of the Footsie league showing a fall of 45p at one table yesterday on the back

Analysts were surprised to see the share price leap 38 to 721p on well-tried stories that a European insurer at the company. The stories have been heard before and CU was keen to discount them late last week.

traders Yesterday, believed that CU options, which provide a highly geared entry into big market moves, were being heavily dealt. Nevertheless, this was that the stock was trading at not borne out by the facts as only 364 options - the equivalent of 0.36m shares -

changed hands. Zeneca and BT gained ground after UBS added the stocks to its Europe Focus list. Zeneca was particularly strong as the shares were hard hit on Friday after the US Food and Drug Administration issued a warning fol-

	Mar 3	Feb 28	Feb 27	Feb 26	Feb 25	Yr ago	High	"LOW
FT 30	2845.8	2847.5	2870.6	2863.7	2881.1	2791.3	2885.2	2668.8
Ord. div. yteld	3.97	3.96	3.94	3.95	3.92	3.84	4.22	3.78
P/E ratto net	17.50	17.53	17.85	17,62	17.72	18,98	17.85	15.80
P/E ratio nil	17.28	17.32	17.44	17.40	17.50	18.75	17.63	15.71
FT 30 airce compli								

Open 9,00 10.00 11.00 12.00 13.00 14.00 15.00 16.00 High Low 2837.8 2835.5 2836.8 2836.3 2839.1 2839.5 2839.9 2839.2 2843.4 2846.0 2833.4

	Mar S	Feb 28	Feb 27	Feb 26	Feb 25	Yr ago
SEAC) bargains	50,381	46,175	45,982	49,339	49,310	36,845
Equity turnover (Em)†	_	\$101.5	2888.6	2503.9	2247.6	1471.5
Equity bargainst	-	41,371	44,713	43,298	44,211	44,782
Shares tracked (milit	_	926.0	823.5	850.3	734.7	801.A
†Excluding intra-market en	OVERDES	THIOME.				
Mar 9	Feb 28 5	en 27 Fei	26 Feb	25. Yr ago	"High	"Low

1133.9 1134.3 1133.9 1132.8 1135.0 968.2 1140.4 965.7

O	Rives and falls	r	52 Week highs	and lows	LIPPE Equity opt	lofts
le k	Total Rises Total Falls Same	835	Total Highs Total Lows	132	Total contracts Calls Puts	23,344 10,125 13,219
e-	Mar 3 "Data be			on the Lor	ndon Share Service	

Hotel in Paris to PA Holdis absolutely no truth whatsoever in the story," he said. Recruitment company ings France for £45m. The book value was £41.8m. Kingfisher was one of the Michael Page lifted 55 to best performers on the FTSE 550p after US group Interim

100, rising 13% to 690%p on Services made an agreed cash offer worth about the back of two brokers reiterating their "buy" recom-SIG. the builders mermendation on the stock chant, rose 111/2 to 311p folwhich reports its annual lowing the announcement of results on March 19th. UBS said that the store the conditional sale of its rather than shareholders security and hardware divi-

sector would rally ahead of results from a number of players this month and it buy-out. The consideration is reiterated its "buy" recommendation for Kinglisher, Cas 3,862 Pas 1,895 Argos and Next. Ms Victoria Melendez.

retail analyst at Morgan Stanley, repeated her recommendation for Kingfisher, targeting a share price of FUTURES AND OPTIONS

W FTSE 100 INDEX FUTURES (LIFFE) \$25 per 1/8 index point LOW Est. vol. Onen en Open Sett price Change High +6.5 +6.5 +5.5 4298.0 4312.5 4329.5 39258 7521 4270.0 4291.0 4290.0 4311.0 4329.5 4336.5 4290.0 4329.5 1904 100 IN FISE 250 INDEX FUTURES (LEFE) £10 per full index point 4659.0 E FTSE 100 PIOEX OPTION (LIFFE) (*4305) 210 per full index point E EURO STYLE FISE 100 INDEX OPTION (LIFFE) \$10 per tull index point

4125 4175 4225 4275 4325 4375 4425 4475

Mar 1472 9½ 131 15 91 25½ 57 41 31 55 13½ 91 35½ 13½ 1½ 185

Agr 286 33½ 162 45 126 58½ 92 74 65 97 42 123½ 25½ 155½ 14 18½

May 221 49 185½ 61 148½ 75½ 117½ 98 11 115½ 61 1432 81½

May 221 45 126½ 63 182½ 98 138 114½ 121 134½ 95½ 158½ 74 185½ 58 218

Sapt 304½ 95½ 226½ 238½ 182½ 98 188 114½ 121 134½ 95½ 158½ 74 185½ 58 218

Sapt 304½ 95½ Calls 1,397 Pais 4,905 " Underlying todax visible. Pro f Linon cased copiny consists.

TRADING VOLUME

Price charge

LONDON RECENT ISSUES: EQUITIES

Issue price p		Mic. cap (Em.)	1990 High	Mat Low	Stock _	Close price p	+/-	Net div.			
§100	F.P.	3.40	11112	10812	†Anglo-Welsh	11112		12.4	-	27	-]
§125		23.5	14812	12112	Agetacit	13612		-	-	-	- 1
ş		8.97	180	12812	C&B Publishing	175		-	-	-	- [
5	F.P.	1.60	112	وا	On Warranta	_1		-	-	-	- (
7512	F.P.			55	Cantrica	634	-2	-	-	-	- 1
\$250	FP.				Core Group	310		-	_	. =	_ -
525	F.P.	2743	570 ¹ 2	520	Energy Group	526 ¹ 2	+3	W21.0	2.5		
528	F.P.	6.10			Howle	31/2	_	-	-	-	1. I
5125	F.P.	28.6	150	14112	†intobank Inti	14812	+512	-	. =	- - -	-: 1
\$140	F.P.				Nord Angle Ed		412	W3.02		29 1	
_ 6	F.P.	68.2			PSD (A/L)	285	+112	5.43	24		
- 5	FP.	7.70	4	34	Screen	4		-	-	- t	55 {
ũ	F.P.	12.4	6172	4712	TR Euro Gwith Was	57 ¹ 2		-	-	-	- 1
§100	F,P,	8.39			Tes Plantations	102		-	-	-	- [
- 6	F,P,	26.9	128 ¹ 2		Technoplest	106 ¹ 2		-	-	-	- 1
\$4 0	F.P.	5.93	4312	4012	WFG	4112	+1	-	-	- 2	82
† Altern other sy	§ F.P. 28.9 128 ¹ / ₂ 105 Technoplest 108 ¹ / ₂ -5 ¹ / ₂										

FT GOLD MINES INDEX

Day's Year Otv. Net Mar 3 chge% Feb 28 Feb 27 Feb 28 ago yield% cover

_		% chg on day		Year	Gross div	P/E	52 w 16gh	igék jany
				_ - _				
• •	1907.40	+8.1	1906.04	2521 AA	1.02	-	340E.53	1074_E1
w Regional indicas								
Anica (14)			2333.56				3252.18	
Australiais (G)			2070,46				2361,03	
Horfa America (12)			1767,13		0.52		2134,81	
Copyright, FTSE inter number of companies.	nadonai	Lineaci	1997. A	- vights	TEBERVEC, F	gune i	n bracke	ts show
number of companies.	estates un	o Licens	, Dese v	UE IU	ITTU SIVING	24. 7 PE		n burse

-0.4 8978.42 4016.58 4004.71 3270.97 8.78 2.10 15.75 15.36 1743.83 +0.3 4007.05 4051.24 4027.19 4204.51 4.03 2.33 13.31 0.00 1198.07 -0.4 4080.57 4119.46 4113.02 3308.01 4.01 2.08 15.01 20.17 1838.63 -1.0 3478.81 3508.42 3471.01 2241.48 1.58 1.79 44.22 0.00 2087.12

-1_03478.813008.42 3471.01 2241.48 1.58 1.79 44.22 0.00 2087.12
+0.2 1983.55 1998.90 1988.96 2083.15 3.94 1.88 16.84 4.41 1120.20
-0.3 1369.07 1389.82 1383.20 1114.37 3.01 1.70 24.40 1.54 1167.47
+0.1 1873.53 1877.10 1871.16 1893.42 4.25 2.54 11.61 0.44 969.62
-0.6 2339.72 2345.72 2341.74 2578.84 4.49 1.42 19.56 22.49 1140.24
+0.8 1448.03 1449.53 1451.67 1790.22 4.91 1.61 15.80 4.02 846.51
+0.8 1448.03 1449.53 1451.67 1790.22 4.91 1.61 15.80 4.02 846.51
+0.6 2247.75 2262.47 2234.82 2360.90 3.46 1.24 26.91 1.47 1201.98
+0.4 2546.46 2551.72 2532.28 2341.19 3.23 2.40 16.14 3.75 1563.57
-2 2654.10 2585.50 2840.72 2654.95 3.80 1.71 19.21 0.25 1508.27
-0.2 2515.41 2529.63 2537.39 2739.44 4.16 1.78 16.83 0.00 1008.93
+0.1 1076.35 1077.10 1076.48 1488.14 6.52 1.29 14.83 2.25 853.25
-0.1 4033 23 4120.47 4111.52 3641.41 3.55 1.90 18.53 12.98 1551.83

+0.1 1076.35 1077.10 1076.48 1488.14 6.52 1.29 14.83 2.25 888.25
-0.1 4083.93 4120.47 4111.52 3641.41 3.55 1.90 18.53 12.98 1551.63
-0.3 2721.36 2756.86 2749.48 2823.08 4.76 1.87 14.06 31.26 1016.17
-0.7 2831.70 2859.85 2682.99 2668.05 3.87 1.80 17.98 5.51 1304.04
-0.2 2885.41 2833.61 2833.37 2519.04 3.53 2.26 15.70 1.06 1154.37
-0.8 2256.29 2267.27 2267.14 1673.04 2.83 1.89 2.51 6.413 1389.50
-0.1 6408.50 6438.49 6385.93 5179.14 2.67 1.84 25.39 14.48 2217.68
+1.4 4488.36 4489.62 4556.03 4841.11 5.70 2.13 10.32 0.00 1171.68

+0.3 2678.07 2693.43 2691.23 2367.15 2.63 1.98 22.38 7.96 1428.33 -0.1 2741.24 2768.61 2753.92 2852.48 3.11 1.98 20.19 0.08 1050.09 146.6 3492.77 3627.39 3525.51 2940.32 2.57 1.67 29.07 20.40 1923.69 140.5 4318.08 4349.74 4342.21 3898.38 2.20 2.12 26.87 11.55 1594.51 14.5 4318.08 4349.74 4342.21 3898.38 2.20 2.12 26.87 11.55 1594.51 14.5 1595.68 1942.60 1893.34 4.07 2.31 13.31 4.28 1268.68 10.3 1939.45 1956.68 1942.60 1893.34 4.07 2.31 13.31 4.28 1268.68 10.3 1939.45 1956.58 1942.60 1893.34 1.07 2.02 20.11 7.10 1243.27 1.01 1348.9 3416.74 3415.36 3007.93 3.19 2.10 18.68 17.09 1679.47 1.01 2896.55 3027.92 3031.41 2132.74 1.71 2.48 29.68 1.89 1932.74 1.62 2860.59 2857.54 2866.78 2383.70 338 1.28 29.68 6.35 1229.07

+0.4 2704-29 2729.30 2730.26 2494.43 4.94 1.49 15.94 5.34 1224.40 +12 2955.89 2971.96 2970.41 2778.41 5.96 2.20 9.89 22.06 1598.49 -0.8 1598.78 1640.23 1623.41 15971.45 7.74 \$\div \text{t} 0.00 862.51 \\
-0.8 1589.78 1640.23 1623.41 15971.45 7.74 \$\div \text{t} 0.00 862.51 \\
-0.5 2526.76 2936.41 2516.44 2127.61 5.98 2.31 8.04 0.00 1453.48

+0.1 2153.24 2167.21 2162.97 1972.24 3.62 1.86 18.51 6.10 1885.55

Day's Year Div. Net P/E Xd adj. Total Mar 3 onge% Feb 28 Feb 27 Feb 28 ago yield% cover ratio yid Return

The UK Series

P/E Xd adi, Total ratio ytd Return

BUSINESSES FOR SALE

/0

9

60 F

Packaging Machine Manufacturer

Pharmaceutical Industry (In Receivership) Norwich The business designs and builds leading edge

packaging and dressing manufacturing systems for the pharmaceutical and health care industry under the DATUM name. Proven technology

European & US patent protection

Blue Chip customer base ₩ World wide sales potential

High skilled team

For further details contact the Joint Administrative Receiver, Andrew Conquest, Grant Thornton, Crown te, Crown Street, Ipswich IP1 3HS. Tel: 01473 221491 Fax: 01473 230304 Internet; bttp://www.grant-tboraton.co.uk

Grant Thornton The U.K. member first of Grant Thorston International Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

LIQUIDATIONS AND

RECEIVERSHIP\$ at they did and who the liqui ei 01652 680889 or Fex 01652 66086. For turther details.

Aromatherapy & Homeopathy Company

products. Practitioner and retail markets. Growing business. ESSk PBT.No debt, cash positive. Principals only. Write to Box BS099, Pinancial Times, One Southwark Bridge, Lundon SEI 9HL

GARRICK

FOR SALE **COMPUTER SOFTWARE** COMPANY APPLICATION PACKAGES

We are retained to locate a purchaser for a well run, successful business.

Key characteristics:

* Strong growth in tumover currently c.£4M.

· Current profits in excess of £1M with growth potential.

* Substantial annual contract support and enhancement + Large reference user base.

Open systems solutions.

DAVID GARRICK LTD 43 Berners Street London W1P 3AB Tel: 0171 631 0659 Fax: 0171 436 4311

For further information, contact: ROBERT KING

SPECIALISTS IN ACQUISITIONS AND DIVESTMENTS

Electrical and mechanical engineers

The joint Administrative Receivers, A.J.Galloway and T.Mitchell, offer for sale the business and assets of: MRG (UK) Limited

Location West Midlands

• Tumover £2 million

 40 employees Freehold property

please contact:

A.I.GALLOWAY FCA BDO STOY HAYWARD MANDER HOUSE WYI 3NE

FAX: 01902 25171 and insolvency

TEL: 01902 714828

BDO Stoy Hayward Corporate Recovery

MANUFACTURER OF

SPECIALIST PLASTIC

PACKAGING

Opportunity to acquire established southern based business with separate in-house screen printing

ection. Blue chip customer base i

esail, toiletries, textiles, gifts, etc.

Good manager T/O £3.25M and profeshle

Apply to Jack Securities Limi

Acre House, 11-15 William Road, London NW1 3ER

Fax: 0171 380 4960

BDC

RUTLAND ARMS HOTEL, BAKEWELL (Peak District National Park) On instructions Joint Receivers R Weisby and R S Harding, Gran

Famous 3 star town hotel 36 En suite popus Facing busy A8
Access Shelfiski / M Midlands Budget Net 170 circs

£515,000 ROBERT BARRY & CO

GRAPHIC DESIGN/LONDON

Free transfer of clients and two organist designers, very experience in Internates production, acching

ompatible company. Directors ratio Describe your business please wis

Sombwark Bridge, London SE1 945.

coplying or.
Box B5101, Financial T

ess please wher

The No. 1 independent listing of medium to large businesses for sale in the UK (T/O E.I.m+). New sections list major acquisitions and all UK receiverships. For sub details: 0181-875 0200

APPOINTMENTS

FINANCIAL CONSULTANT

A leading international investment company requires a Financial Consultan who will market its services to high net worth clients based in India and enhance the Company's strategy and focus on India, incumbent will be expected to provide advice on special investment opportunities, review existing portfolios to generate opportunities for uses allocation recommendation in the with clients needs and objectives. Salary circs

£40,00. Applicants, aged 30-35, educated to degree standard with minimum 8 years private busing relationship management experience, preferably gained with an established U.S. frameial institution, sound knowledge and gained with an established U.S. frameial institution, sound into legge and understanding of the Indian and U.S. debt markets and economies, highly developed analytical skills, strong relationship and management skills and floent in Hindi and Punjabi languages in addition to English should write, enclosing full emriculum vitae, to Box A5361, Financial Threes,

One Southwark Bridge, London SEI 9HL ■ Hourly movements

89 FTSE Atl-Share(814)

80 INVESTMENT TRUSTS(127)

Open 9.00 19.00 11.00 12.00 13.00 14.00 15.00 19.10 High/dayLow/day
 4293.4
 4280.6
 4283.6
 4281.3
 4298.4
 4299.7
 4500.6
 4298.8
 4304.3
 4307.1
 4287.3

 4864.3
 4652.4
 4651.5
 4651.8
 4651.1
 4651.4
 4652.9
 4652.2
 4652.9
 4652.9
 4652.9
 4652.9
 4654.5
 4651.0

 2128.1
 2128.0
 2128.0
 2127.1
 2128.8
 2130.3
 2130.5
 2130.1
 2132.5
 2133.5
 2125.6
 FTSE 250 Time of FTSE 100 Day's Hight 4:50 PM Day's Iow. 8:49 AM. FTSE 100 1986/07 High: 4357.4 (19/02/97) Line: 3832.3 (24/12/98)

FTSE 350 Industry baskets

Open 9.00 10.00 11.00 12.00 13.00 14.00 15.00 18.10 Close Previous Change 1305.2 1303.4 1302.0 1301.8 1301.9 1301.8 1301.8 1301.7 1301.3 1301.3 1305.5 5302.3 6306.6 6318.1 6314.0 6323.9 6324.1 6324.1 6311.0 6313.7 6318.9 6318.1 2518.3 2517.4 2517.1 2507.3 2504.5 2501.1 2500.8 2502.8 2505.7 2508.1 2519.1 2518.1 5711.0 5704.3 5675.0 5696.3 5705.2 5705.4 5703.7 5719.8 5724.1 5797.9 brains, recase 574.1 5771.0 5774.3 5074.3 5094.3 5705.4 5705.4 5705.7 5719.8 5724.1 5787.6 For further information on the FTSE Actuaries Share indices please contact FTSE stemations on 0171 448 1810. The FTSE Actuaries Share indices are calculated in accordance with a standard set of ground rules established by International in conjunction with the Faculty of Actuaries and the Institute of Actuaries. © FTSE International Limits All Rights reserved. "FT-SE" and "Footpia" are trade marks of the London Stock Exchange and the Financial Times and are used by FTSE International under Ricence. † Sector P/E ratios greater than 30 and net covers greater than 30 are not shown. It Values are negative.

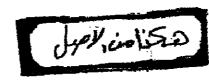
おおからかなしおからななななななから

Tase & Lylet Taylor Woodro TeleWest Corre Tescot Thames Water

-0.6 3920.23 3928.23 3921.81 2890.14 3.61 2.37 14.51 23.27 1732.41 -1.3 5724.84 5739.35 5743.16 4197.28 3.54 2.66 13.28 68.90 1912.91 +1.5 1728.93 1728.90 1699.73 1431.34 4.81 2.15 12.08 4.50 1388.12 +1.3 1728.90 1699.73 1431.34 4.81 2.15 12.08 4.50 1388.12 +1.3 4574.10 4908.12 4575.76 5396.59 3.51 2.13 16.72 0.00 1990.01 -0.5 3248.08 3241.29 3247.92 2642.00 3.02 2.03 20.40 9.29 1893.79 +0.1 1898.05 1898.70 1900.77 1452.60 3.37 1.33 28.00 3.31 1201.31 3326.12 -0.1 3330.34 3354.51 3354.86 3154.28 2.17 1.12 51.73 10.12 1181.78 2107.27 2107.86 2119.74 2115.81 1884.59 3.67 1.95 17.93 7.98 1835.44 2.700 2.200 1.500 2.500

APPAR ALLERS

٠,



	Mr starte	Highs & Lows shown on a 52 we		WORLD STOCK M	ARKETS		35
Feb 3827.0 2006.0 -18.0 2834.0 2000.0 11.385 37,701 Mer 2006.05 2100.00 +16.00 2101.00 2085.00 2,418 23.974 # NBdcsi 22.5 ## TOKYO - MOST ACTIVE STOCKS: Monday, March 3, 1997 ## 1845.00 1842.0 -15.00 1848.00 1832.0. 33.285 184.569 ## Stocks Closing Change ## Stocks Closing Change ## Stocks Closing Change ## Stocks Closing Change ## Traded Prices on day Traded Pri		Highs & Lows shown on a 522 will be a series of the property o	## A For The	The content of the		The content of the	223 18 2 2 18 2 18 2 18 2 2 18 2 2 18 2 2 18 2 2 18 2 18 2 2 18 2 2 18 2 18 2 2 18
** Six May 13. The control of the beginning street and the control of the beginning st	Section 1. The section of the sectio	Public Science 200.05 3101.05 3101.05 3101.05 200.05 Chiles	### ### ### ### ### ### ### ### ### ##	### Comp. 415.51 417.89 422.14 ### Comp. 415.51 417.89 422.14 #### Comp. 594.24 555.17 597.31 #### Comp. 594.24 555.17 597.31 ##### Comp. 594.24 555.17 597.31 ####################################	22.84 24.83 20.8	## 17 16.5 NORTH AMERICA Sum 1.5	785911.50 3.0 11.5 90 55 20.23.0 90 55 20.23.0 90 55 3.25 3.9 12.7 190 33.89 2.7 12.7 190 33.89 2.7 12.7 19.10 6 14.8 6.5 82 61.50 2.1 12.4 14.67 160 1.6.7 200 1.55 2.7 12.7 200 155 2.7 12.4 17.59 59 1.7 14.4 17.59 59 1.7 14.4 17.59 59 1.7 14.4 17.59 59 1.7 14.4 17.59 59 1.7 14.4 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.50 1.7 1.8 18.50 1.7 1

Bigi Line Stack
24-1 14-5 Committe
24-1 14-5 Committe
38-1 25-5 COSEN
17-1 25-5 COSEN
17-1 15-5 COSEN
28-1 15-5 COMMITTE
28-1 15-6 COMMITTE
27-1 15-6 COMMITTE
12-1 15-6 COMMITTE
14-1 15-6 COMMITTE
15-6 COMMI

.

- B -

BE OUR DH₩€ÜİCIY When you stay with us in VALLETTA (Malta) stay in touch -

FINANCIAL TIMES

| 1500007 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500

R	1.11	1.12	131	614	652	614	-14	
51	131	43	15	163	514	652	614	-14
51	131	43	15	163	514	552	535	-14
0.35	1.5	22	1163	224	224	-15		
0.35	1.5	22	1163	114	11	11	14	
0.35	1.5	12	114	11	11	11	14	
0.30	23	17	755	40	255	254	-14	
0.30	23	17	755	40	255	254	-14	
0.30	23	17	255	40	255	254	-14	
0.30	23	17	255	40	255	254	-14	
0.30	1.1	21	22	254	254	254	-14	
0.30	1.1	23	25	254	254	254		
0.30	1.1	23	25	254	254	254		
0.30	0.7	25	73	254	254	254		
0.30	0.7	257	27	47	47	47		
0.30	0.7	257	27	47	47			
0.30	0.7	257	257	258	258	42		
0.30	0.7	0.7	17	155	155	155		
0.35	1.1	250	254	254	254	44		
0.15	1.0	77	164	165	155	155		
1.25	27	28	155	155	155	155		
1.25	27	28	156	155	155	155		
1.55	25	258	258	254	24			
0.15	0.1	77	164	165	155	155		
1.25	27	28	155	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	155	155			
1.25	27	28	156	156	156			
1.25	28	28	28	28				
1.26	28	28	28	28				
1.27	28	28	28	28				
1.28	28	28	28	28				
1.28	28	28	28					
1.28	28	28	28					
1.28	28	28	28					
1.28	28	28						
1.28	28	28	28					
1.28	28	28	28					
1.28	28	28	28					
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
1.28	28	28						
2.28	- F -							

古古古 古 中 山村中外大衛山市

\$2 44\2 J Hrw FF 3.38 57 x1 50\4 50\4 10 10 10 25\5 15\6 5 \text{Model for the color of the colo .

55 Style Michigans 1.20 2.0 12 18 Style Style Style Style Adv. 20 Michigans 1.00 2.0 12 18 Style Style Style Style Adv. 20 Michigans 1.00 2.7 18 Style
Configured on part \$200

25, Percent |
25

AMEX P

and the fight that

47 -

. 18

US\$15 6350 11.625 10.5 US\$10.125 -0.125 40 11.375 10 US\$65 120 625 475

ActivCarr

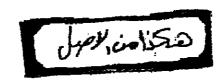
Prices for 3/3/97.

Activoria Systems US\$10.075
Dr Softmonts ADS US\$24.75 -0.125
Espert Telecom ADS US\$12.25

information about EASDAO can be found on the Web site at: HTTP://WWW.EASDAO.be

For reservations contact your travel agent or call toll-tree from

Britain 0800 184-3-, Netherlands 06 022 73 37, Switzerland 0800 55 26 20



AND A PINCIS

NASDAG NATIONAL MARKET

AND A STATE OF THE **NASDAQ NATIONAL MARKET** NYSE PRICES UCrisesGa x 1.02 17 978 23¹2 23 23₁7, -1. 18 174 184, 184, 184, +2 31913 40¹2 37¹4 37¹4 0.88 15 447 29¹4 28¹4 29¹4 276 2½ 1½ 2½ 37 206 10¾ 9½ 10¾ +¾ 10 144 20½ 20½ 20¾ 0.12 15 2501 205₈019¾ 20¼ United St Uniting 0.12 15 2501 00-0
Uniting 2.40 15 913 54²8 53²8 54¹8 +1
US Bencp 124 16 4523 43²8 45²8 49²8 +1
US Energy 229 10²8 9²8 9²8 -5
US Pobot 2181434 58 55²8 55²8 -7
18 3²8 3²8 3²8 23 58 26¹2 26 26¹4 14 15 5¹4 5¹4 5¹4 -P-Q-190 318 212 3 -12 Peccar x 1,00 12 2499 69 4 64 5 67 k +1 k Peccar x 1.00 12 2499 6914 6412 6715 + 114
Pechonico 0.14 73 69 9% 9% 9% 14
Pecar x 1.00 12 2499 6914 6412 6715 + 114
Pechonico 0.14 73 69 9% 9% 9% 14
Pecar x 1.00 12 2499 6914 6412 612
Pecar x 1.00 12 2499 6914 6412 12
Pecar x 1.00 12 2499 6914 6412 12
Pecar x 1.00 12 2499 6914 6412 12
Pecar x 1.00 12 2491
Pecar x 1.00 12 2491 9912 12
Pecar x 1.00 12 2491 9912 14
Perar virg x 1.00 18 21 4512 4412 4514 + 14
Perar virg x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1912 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142
Pecar x 1.00 18 21 4512 142 1812 142

Pecar x 1.00 18 21 4512 142 1812 142

Pecar x 1.00 18 21 4512 142 1812 142

Pecar x 1.00 18 21 4512 142 1812 142

Pecar x 1.00 18 21 4512 142 1812 142

Pecar x 1.00 18 21 4512 142 1812 142

Pecar x 1.00 18 2442 4513 142

Pecar x 1.00 18 2442 4514

Pecar x 1.00 18 2 12 201225-3 255-3 255-3
768 15 147-3 142-45-4-5
2223375 173-1852 17-4-5
2056 12 373 151-147-147-5-3
7153 107-3 107-2 1032-1-3
85 531 23 22 22-3-1-3
85 531 23 22 22-3-1-3
170 12 12 12 12 12 1-3
170 12 12 12 12 13 1-3
1020 2510281 1451407-2 145-5-4-1
4532 35-5-1-3-1-3-1-3
22 483 155-1-3-1-3-1-3
184 152 073-1-3-1-3
184 152 073-1-3-1-3
23 1151 074-8 9 04-1
13 3094 173-103-173-3-3-1
123 1094 173-103-173-3-3-1 12 20 6285 285 285 285 768 15 143 1416 iri Res AMEX PRICES 4 pm close March 3 Inglesia: 0.66 12 373 1514 1412 1452 Integriber 7163 1073 1012 1013 HY TIMA x 0.60 23 3359 44²4 43²6 44 -¹2 1808 7 170 13³8 13 13 +¹4 Pegana 6 85 2199 8²6 8²7 8²7 Paga 4 109 8¹7 8 8¹8 13 14 -¹7 Paga 120 12 33 14¹8 14 14 -¹7 Haston Heelth (2s ### 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 20 0.45 18 1901 4314 4212 4314 +12 Comment Cp 9.30 30 622 53¹/₂ 53 53 -1
Comment 108 2 15¹/₄ 100 1 1 1 23 10 25% 25% 25% - 1 105 17% 17% 17% + 2 8 57 6% 6% 6% 6% +& Propies H 0.72 14 451 31³2 31³2 31³2 11³2 People of 10918 41³2 39 40⁷2 +1 Perrigo 25 6986 12³4 12 12³2 +³2 - V -5 28 128 28 maš (1.40 27 34 4234, 42 424, Cel 88 1863 1434, 137₉ 143₉ 13 3094 113, 103, 113, +3, 0.36 6 65 19³1 15³5 19³4 + ¹4 1206 21¹8 20³8 20³8 - ³8 27 220 16³8 15²3 16³8 84 11³8 11⁴8 11⁴8 1 18 SJ# Comp x 228 22 9 514, 504, 504, -4, 14 62 22 21 2 21 2 0.05 18 858 24 2 23 4 24 4 Scho Say 4180 77, 713 74 Boot Ep A 832 39 22 84, 85, 85, 4 inocene 0.05 18 959 24¹2 23³4 24 NoVokado x 1.05 24 15 176¹2 176¹2 176¹2 | Tab Protes x 9.20 14 | 57 | 95 | 91 | 91 | 1 | 1 |
TeleData	0.40 39	774	40	40	40	41			
Thermodes	32	545	201	201	201	2	1		
Thermodes	29	199	34	32	32	2	3		
TeleData	0.20144	259	101	101	2	1			
TeleData	0.20144	259	101	101	2	1			
TeleData	0.20144	259	101	2	1	3	3	1	
TeleData	0.20144	259	101	2	1	3	3	1	
TeleData	0.20144	259	101	2	1	3	3	1	
TeleData	0.20144	259	101	2	3	3	3	1	
TeleData	0.20144	259	101	2	3	3	3	3	
TeleData	0.40	39	774	40	40	40	40	40	40
TeleData	0.40	39	774	40	40	40	40	40	40
TeleData	0.40	39	774	40	40	40	40	40	40
TeleData	0.40	39	774	40	40	40	40	40	
TeleData	0.40	39	774	40	40	40	40	40	
TeleData	0.40	39	774	40	40	40	40		
TeleData	0.40	39	774	40	40	40	40		
TeleData	0.40	39	774	40	40	40	40		
TeleData	0.40	39	37	40	40	40	40		
TeleData	0.40	30	30	30					
TeleData	0.40	30	30	30					
TeleData	0.40	30	30	30					
TeleData	0.40	30	30	30					
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30	30						
TeleData	0.40	30							
TeleData	0.40	30							
TeleData	0.40	30							
TeleDat 456 23g 23g 23g 43g 1 3146 23g 23g 23g 43g 25 15 35g 35g 35g -3 0.20 25 203 175g 175g 175g 213 95 95 95 +16 870 15 15 15 22 1.30 10 203 20½ 20½ 20½ 20½ 4 0.24 13 5552 22 20½ 21½ 41 0.08 2502 17½ 17½ 17½ 17½ 45½ 10 0.08 1500 18½ 17½ 17½ 18½ +½ 10 0.08 1500 18½ 17½ 18½ +½ 10 0.08 1500 18½ 17½ 15½ 25½ 4½ 10 20 25½ 25½ 25½ 25½ 12 10 1765 10½ 10½ 10¼ 10¼ +½ 10 103 5½ 25 5½ +½ 11 13 368 15½ 14½ 14½ 2½ 11 150 6% 6% 6½ -½ 10 0.50 18 1860 21½ 21½ 21½ 2½ 10 0.50 18 1860 21½ 21½ 21½ 2½ 10 0.50 18 3560 21 32½ 23½ 23½ -½ 21 1428 147 1418 1412 Concept Concept 39 6738 187₈ 181₈ 1811 Kinerik Cp Kogrišą Valva B 0.50 747 u2514 25 2514 J&J Statck 22 255 13¹g 12³g 13 4 ½ 4 ½ 612 012 12 g 13 12 Februare 0.78 18 2100 301e 201_e 201_e 1e Februare 200 12 94 52¹2 62¹4 62¹4 - ¹e Forestla 95 1496 39 37¹9 57¹2 - ⁵e Complate 0.06 29 89 6밖 6밖 6밖 - W -19 2 100 100 100 4 Copusene Constant Constant Warmtech 2059 22 21¹5 21¹4 -1²6 Warmtech 27 1399 9¹2 8²6 9²6 -1²6 Washikat 1,00 14 9788 52²6 51¹2 51²8 -1 23 219 13 13 13 13 30 13 13 13 13 14 17 1497 263 26 26 4 13 410 1112 10% 11 18 Suren 0.00 14 5 19% 19% 19% 19% 19% Grichmin 385 u8172 4879 4876 27% Short F4A x 0.76 17 289 38 32% 32% 179 8.52 11 218 307 304 307 CractCata CoortA.z 0.18 13 114 11% 11% 11% 기술 Vacona 92 1413 35 34% 38 +1 1/2 Vacona 80 8687 36% 36% 36% 36% 41% VARET x 1.12 19 20 12% 12% 12% Constitute 0 000 11 396 m342 324 3342 -1 1									
Constitute 0 2214001 264 2512 26 +3
Constitute 0 11287 79 79 79 71 +2
Constitute 0 002 24 3807 284 274 275 +3 070 11 172 1714 1814 1814 -18 17 14 1814 14 14 23% 23% 23% 3 H H iz Moog A MSR Expl K Switzs 0.08 57 201 11 10²g 10³s, ¹s Kannas Cp 0.44 12 315 13²g 13³g 13¹g ¹s Kally Sv z 0.84 14 244 28¹g 27²g 27²g + ¹s 19 4331 13414 3415 3412 19 260 2012 1914 2018 +14 221 523 367 357 367 367 West Sanish 19 250 2012 1814 2012 + 14 2222233 4012 3013 3612 + 13 West text 1.28 18 20 632 632 632 632 632 634 + 13 West text 1.28 18 20 632 632 632 634 + 13 West text 1.28 18 20 632 632 634 631 648 371 27 2411 2614 1414 - 14 Qual Food 2 2 300 324 274 275 + 19

8480 123 113 12 - 23

1226 1274 674 637 432

24 74 1512 1514 1512 + 3

1023 879 94 912 - 3

7511 2252 27 2772 - 3

1797 576 516 516 416 4 97 75 74 712 +12 Xytsonix 49 14 14 14 17 3 64 64 65 Quantum Quáctador Constant 1.04 15 118 39¹2 39 39 -¹2 1914322 42³2 49¹2 40³4 -³4 Cyberard 4542 254 254 26 % Cyrix Cyriges 4442 1 3 0.18 Worthinds x 0.48 22 1948 2078 2078 2078 -14 14 3461 30% 2912 3012 WAP ADR 0.10 23 1046 434 4212 43 - R -A SURE SIGN Wystan-Gdn 0.40 23 6267 19 175, 18¹8 +14 1008 26% 25% 25% -13 144 18 1712 18 14 1833 34 24 24 4 - D -0.10 13 5258 12714 26 2716 +116 OF THE RIGHT CHOICE -X-Y-Z-060 12 771 33¹2 32¹3 32¹2 -1¹8 Labore x 072 84 3 19¹4 18¹2 18¹2 - ¹8 Labid Fore 44 15¹4 15 15 Read-Ritta Recoton 2514577 46 4472 45 12 36 7103 20% 19% 20% +1 2000 6% 6% 6% 12 RegParCp Replayen Repub ind 12 8412 384, 3712 38 4 1211 157 1512 1514 +18 17 1256 94 87 87 Zionstitain 1,78 17 104 1241221412212 **EASDAQ** RENAISSANCI EASDAD is a fully regulated independent pen European Stock Market focused on righ growth companies with international aspirations. The chares of companies on the EASDAD Stock Market can be bought and sold through EASDAD Members. EASDAD Members are made up of Brokers and Banks from across Europe. 47 469 832 8 8.02 -24
51 5008 2414 2312 -112
608 1.74 112 112 112 112
11 29 1074 1075 1075
23 173 4575 448 4474 148 (Mgi Ind .5000 8.25 8 56790 11.375 10.25 9 26 22.77 12.5 17

Dow hit by telecoms shake-up

morning on new worries that interest rates will be Equity dealers endured a raised soon. They were led by BankAmerica which shed torrid morning as economic data, the weak bond market

and some worrying corpo-Further congressional tesrate reports pushed share prices lower, writes John Authers in New York. Most indices pushed upwards in mid-morning after a report from the National Association of Pur-

suggested that the manufac-The Dow Jones Transpor turing sector was in good tation index leapt 41.15 to health, but by midday all the most closely watched indices The Dow Jones Industrial Average fell 21 17 to 6,856-57. This was mainly due to heavy activity in AT&T, the long-distance telecommunications giant, by far the

most actively traded share in It shed \$2% to \$36% on the announcement, at the beginning of its two-day conference for analysts in New Jersey, that it expected to cut costs by \$2.6bn over the next

Southern \$21/2 to \$93%. Takeover speculation also helped a big rally in Dow

\$1% to \$41%. TORONTO continued to nervous bank and resource damage. At noon, the TSE-

Mexico City off 1%

two years, but that earnings

for the current year would

be lower than expected as a

index, dominated by technol-

ogy stocks, also continued

its recent weak performance.

off 4.89 at 1,304.11. However,

The Nasdaq composite

chasing Managers which

were negative.

as the peso remained under pressure and on concerns over rising interest rates and worries that certification of Mexico as an ally in the war against narcotics might not by midsession at 8.773. be ratified by the US con-

pesos at 30.90 pesos on

timony later this week by Mr Alan Greenspan, chairman of the Federal Reserve, and Friday's employment report were both thought likely to offer decisive clues on whether monetary policy will be tightened.

2.358.16. This was thanks to speculation that the longrunning battle for control of Conrail being fought by CSX and Norfolk Southern, two other large north-eastern railway companies, was finally due to be resolved with the companies effectively splitting their target's

All three stocks rallied strongly on the news. At midday, Conrail was up \$6% at \$111%, CSX had gained \$3% at \$49%, and Norfolk

Jones, owner of the Wall Street Journal, which gained

tain start on Wall Street and stocks doing most of the 300 composite index was off Several banks had a poor 31.79 at 6,126.05.

the trend for it to perform of the market seemed to

MEXICO CITY fell 1 per cent

on worries that a congressio-had not nal inquiry into a state debt operations.

,	_		•	,		
şcar	ıdal	could	be e	xter	2ded	to
incl	ude	SOM	e la	rge	ban	ks
and	man	einn i	fimde			

The Bovespa index, having been divided by 10 to make the measure easier for investors to follow, was 56 weaker CARACAS lost 1.4 per cent

at midsession as profit-taking pulled the IBC index 3,801.72. Cemex fell 1.10 down 95.69 to 6,613.74. CanTV lost 40 bolivars to a downgrade by CS First 2,120 bolivars although the SAO PAULO was cautious strike by some employees a long, pending company

	% c	hanga in ig	al currency	t	% change sterling †	% change in US\$†
	1 Week	4 Wooks	1 Year	Start of 1966	Start of 1998	Start of 1906
Austria	+1.20	+4.15	+14.13	+24,99	+0.82	+5.95
Belgitam	+2.20	+4.70	+28.13	+33,18	+7.09	+12.55
Denmark	-3.37	+3.57	+35.48	+45.46	+19.10	+25.17
Finland	+0.29	+2.35	+58-24	+60,54	+31.75	+38.46
France	+1.78	+3.90	+31.37	+42.75	+16.60	+22.53
Germany	+2.24	+7.12	+30.29	+41.02	+13,77	+19.57
Ireland	-0.04	+3.92	+30.29	+34,11	+26.07	+32.49
italy	-5.42	-5.61	+20.10	+22.04	+9.02	+14.57
Netherlands	+0.48	+7.50	+42.07	+49,32	+19.96	+26.07
Norway	-4.87	-0.23	+36.58	+40.48	+25.33	+31.71
Spain	-1.35	-0.45	+37.35	+48.65	+19.71	+25.81
Sweden	+0.33	+4.15	+41,91	+55.68	+30.94	+37.60
Switzerland	-1,10	+4.28	+31,31	+33.99	-0.53	+4.53
UK	-0.49	+0.77	+14.69	+16.31	+16.31	+22.23
EUROPE	-0.07	+2.80	+25.88	+31.39	+14.85	+20.70
Australia	-1.27	+0.84	+7.13	+10.28	+9.49	+15.07
Hong Kong	-0.51	-0.47	+12.94	+26,44	+20.13	+26.25
Japan	-2.62	+1.75	-9,91	-11.36	-27.91	-24.24
Malaysia	80.0 +	+4.75	+21.98	+32.00	+28.44	+34.98
New Zealand	-1.62	-6.31	+2.82	+2.10	+2.79	+8.02
Singapore	-2.76	-1.45	-4.46	+5.14	-0.76	+4.29
Canada	-1.30	+0.50	+28.10	+33.36	+26.62	+33.06
USA	-1.35	+0.35	+22.66	+27.86	+21.67	+27.88
Mexico	-1.34	+5.10	+32,42	+36.61	+25.67	+32.07
South Africa	-0.25	+8.77	+6.91	+15.11	-10.90	-6.37
WORLD INDEX	-1.15	+1,38	+15,88	+19.55	+7.55	+13.02
† Seed on February Seche & Co. and Stan	28th 1997, dard & Poo	© Copy	right, F786 Ul rights re	internation served,	nel Limited,	Goldenan,

MARKETS IN PERSPECTIVE

Renault falls back after car sales figures

EUROPE	FTSE Actuari	es Sh	are Indic	es		
Renault continued to dominate the conversation	Mar 3 Hourly changes Open	10.30	17.00 12.00	TH: 13.00	E EUROPEA 14.00 15.00	_
in PARIS, running into wide- spread profit-taking after an	FTSE Europaick 100 2130.50 FTSE Europaick 200 2171.03	2128.39 2168.11	2127.32 2128.22 2166.84 2168.22	2127,90 2167,43	2127.11 2128. 2168.39 2166.	30 2125.96 34 2165.74
upsurge of almost 20 per		Feb 26	Feb 27	Feb 25	Feb 25	Feb 24
cent over the previous three sessions. News of a big drop in	FTSE Euroback 100 FTSE Euroback 200 Buy Wood (Setting), Hydride	2140,38 2180,91 100 - 212	2187,43 0.50: 250 - 2171,56 L	2152.00 2191,03 2184,100	2190.15	2735.35 2173.55 # 11. † Parks

sentiment also took a knock indicated 3,258.74 as turnover dropped from DM11.3bn to DM8.5bp.

wake of Renault's plans to Midcaps outperformed after a relatively dull February, the M-Dax index index The shares came off rising by 0.6 per cent. The FFr6.90, or 4.7 per cent, to FFr140. The malaise was secconstruction sector was important here, Philipp Holztor wide, Peugeot losing FF17 to FF1623 and Michelin mann and Strabag Bau gaining DM36, or 7 per cent, to Lagardère jumped FFr3 to FFr171; Thomson-CSF take-DM550, and DM18.30, or 12.5 per cent, to DM165.

On the speculative side. Adidas rose DM4.60 to DM166.10 on a story that the sportswear group was the likely winner of a 10-year. \$100m marketing deal with the New York Yankees base-FFr242 ahead of today's ball team. Henkel, up DM3.20 to DM93-20, took its gains to 11.4 per cent in a week on the tale that it was a likely Unilever takeover target.

> govens, the steel group, up another F12.80 at F188.40 for cent. a two-day advance of almost lifted by anticipation of an at 738.26.

upbeat statement when the 1996 results emerge on Thursday, combined with news of another cross-border steel partnership. Some brokers had upgraded group profit estimates.

Ahold, the retailer, was also strong in advance of a profits statement on Thursday, adding Fl 2.60 to Fl 125.30, and KLM bounced 80 centimes to F159 on indications from the airline that it would not be forging closer links with Northwest Airlines of the US, in which

it has a 19 per cent stake. PolyGram, Philips' music offshoot, gained F12.50 to Fl 89.50, but Unilever met with further profit-taking. The shares, a strong market lately thanks to restructuring hopes, came off FI 8.40 to AMSTERDAM saw Hoo- Fl 353.40 for a two-day decline of close on 5 per

At the end of the session. indeterminate day, the Dax 5 per cent. Sentiment was the AEX index was off 1.20

emerged later in the day

after the Nikkei had fallen

around 200 points in the

morning, picking up Toshiba

and other high-tech stocks.

TDK gained Y90 to Y8,170,

Hitachi Y50 to Y1,050, and

In Osaka, the OSE index

BANGKOK fell 2.8 per cent

on the SET index after trad-

ing in banks and finance

companies was suspended

for the day ahead of a cen-

The absence of the leading

financials led to thin trading

conditions and at the close

the SET index was off 21.95

or at 705.61. Turnover was

tral bank statement.

minimal at Bt1.3hn.

dropped 175.86 to 19,368.43 in

volume of 184.54m shares.

Advantest Y40 to Y6.860.

7.5 per cent, one of its biggest ever one-day falls, as retail investors continued to try to book profits in a market where few buyers were to be found.

The Athens general index lost 97.09 to 1,206.54 for a three-day slide of 17 per cent. The decline began last Thursday after a 55.7 per cent rally since the start of the year prompted a warning from the market watchdog against speculation or rumour-driven investment decisions.

to the civil strike in neighbouring Albania as a contributory factor yesterday. However, others were sceptical, saying that Albania was neither a military threat nor an important trading part-

Mr Stewart Harley at Schroders said that there was little sign of support for share prices at last night's close. Shares were marked limit down and with offer prices only on trading screens. believed that the market would stabilise, without outside intervention, at around the 1.150 point level.

ISTANBUL lost 5.6 per cent as political tensions mounted after Friday's call by military leaders for a

the afternoon. The bank

ordered 10 finance compa-

nies, including three listed

groups, to raise their capital

The central bank also

raised the minimum level of

provisions that banks and

finance companies must

make to cover sub-standard

TAIPEI came off sharply

as investors locked into prof-

its in the financial sector.

The weighted index lost

103.26, or 1.3 per cent, at

7,880.45. Turnover was hectic

Financials plunged with

Huan Nan Bank down T\$9 at

T\$145 and Cathay Life Insur-

ance falling T\$7 to T\$180.

immediately.

at T\$105bn.

The statement from the east Cement fell T\$1.20 to

ATHENS timbled another it raised Italian car prices and on talk of good February domestic car sales and posttive progress in its south American car operations Ent rose 1271 to 18.004 luxury goods group announced a global link 1,100 Ferragamo to develop per-

1,000

crackdown by the Islamistled coalition government against a growing wave of religious zeal. The IMKB national 100 index fell 90 to 1,522. Investors were also said to be hesitant ahead of a censure motion, filed by the conservative opposition. which was due to be debated

in parliament today. MILAN rebounded as the market tried to put behind it last week's 4.3 per cent fall, attributed in part to the weaker lira on concern that plans for a single European currency might be postponed. The Comit index eased 0.43 to 741.13 while the real-time Mibtel index closed up 164, or 1.4 per cent, at the day's high of 11,909.

individual investors should

lower. The All Ordinaries

index shed 28.7, or 1.2 per

cent, to 2,421.2. Common-

wealth Bank fell 24 cents to

A\$12.58 and ANZ 25 cents to

A\$7.29. Westpac came off 20

cents to A\$7.10. BHP ended

HONG KONG turned its

attention back to recently

dull property stocks on

Cheung Kong led the prop-

at \$A16.78, down 27 cents.

SYDNEY closed sharply

exercise caution.

property sales.

bearish and the Hex inter fell 47.38, or 1.6 per cent, to 2,846.11. The late morning bounce for tech stocks on Wall Street came too late to save Nokia A. down FM7 at DM296.50, but the mobile

tion price.

Bulgari picked up L1,168 to

L29,995 as the jewellery and

with the privately owned

fumes under the Ferragamo

Deroma, world leader in

the manufacture of terra-cotta pots, made its debut on

the market at an early Lil,950 before setting back

to L11,485, still at a sharp premium to the L10,000 flots.

HELSINKI was broadly

and Ungaro brand names

phone maker, Benefon, jumped FM5.90 to FM98.90 after it said that it had received type approval for its first GSM (Global System for Mobile Communications handset. the Benefor Gamma.

Among the blue chips, Fiat Jeffrey Brown

pressure for the last two

months, bounced 2 per cent

KUALA LUMPUE ran into

a sell-down in the second

half of the session on a com-

bination of profit-taking,

forced selling related to set-

about Wall Street. The con-

posite index lost 10.23 at

DHAKA added to losses

uncertainty unnerved the

party threatened efforts to

bring down the government.

suffered on Saturday and

1.260.44

expectations of a good Sunday, tumbling 2,4 per

response to forthcoming cent as the threat of political

The Hang Seng index market. The all-share index closed 108.56 higher at dropped 39.98 to 1,603.45 as

13.507.28 in turnover that the main BNP opposition

T\$30.40. The shakeout followed Saturday's warning HK\$2.75 to HK\$76.75 as the

from the central bank that sectoral sub-index, under

Bombay consolidates 11% post-budget advance

Some bargain-hunters central bank emerged during

ASIA PACIFIC

French car sales in February

looked to be the catalyst, but

from strike threats and wor-

ries about litigation in the

over hopes were boosted by

newsletter reports of meet-

ings between the heads of

Lagardère and Alcatel-Als-

thom, the two main rivals

Pechiney dipped FFr1.10 to

results. LVMH fell FFr6 to

FFr1,327 on lower operating

profits from the newly

The CAC 40 index fell 7.29

FRANKFURT speculated,

and played catch-up on an

acquired DFS of the US.

close a Belgian plant.

FFr5.10 to FFr351.70.

for the hand of CSF.

Post-budget euphoria left **BOMBAY** racing ahead early in the day, building on the cumulative 11 per cent surge recorded in special sessions on Friday and Saturday. However, the BSE-30 index turned back from an eight-month intraday high of 4,007.91 as profit-taking erased much of the session's advance and the index closed just 13.56 higher at

Analysts said the breadth and focus of the budget had boosted confidence among domestic investors and pulled in foreign funds anxious not to be left out in the rush. Traders described the bud-

get as "path-breaking and market-friendly" as the government announced plans to group said that a 12-hour slash corporate taxes, allow

> TOKYO fell below the vious year on a sharp fall in 18.500 level for the first time semiconductor prices and in almost two weeks, after a slow markets for consumer day of low-volume trading, electronics. writes Bethan Hutton.

> corporate or economic news Y681.
> to encourage a change of About 4.3m To direction. The Nikkel 225 changed hands. average closed 127.87 lower at 18,429 13 after trading Y32 to Y841 following a between 18,345.58 and

The other main indices suspending performance-re-

11.01 to 1,379.58, and the capital-weighted Nikkei 300 by

Volume dropped from 408.9m shares to about 302m, losers led gainers by 844 to 262 with 140 unchanged. In London, the ISE/Nikkel 50 index rose 2.46 to 1.417.33. Brokers blamed arbitrage unwinding for some of the selling pressure, as well

ration for the financial yearend on March 31. Investors, it was thought, might also be waiting for the Japanese budget to be passed tomorrow in the hope that some stimulus measures might be announced.

book-closing trades in prepa-

Currency movements were not clear enough to give any strong trading incentives. Toshiba, the electronics manufacturer, was the day's after it issued a profit warmshare buy-back scheme and ing on Friday. The company raise investment limit for blamed the revised forecast foreign institutional inves- for a 32 per cent decline in pre-tax profits from the pre-

At one stage, Toshiba The market re-opened with shares hit a low of Y670, no apparent change in senti- their lowest since August ment after Friday's fall of 2.4 1995, but later recovered to per cent, and there was little close up Y1 on the day at

> About 4.3m Toshiba shares All Nippon Airways slid

report that the airline, Japan's second-largest, was also fell. The Topix index of lated pay for its pilots, intro-all first-section shares fell by duced last year.

S Africa rallies on futures

driven trading. At the close, better at 7.153.8.

leave the index 2.9 lower at per cent. The shares rose 1,562.9. But industrials, off R1.50 to R50.

Shares in Johannesburg almost 80 points on Friday, rallied modestly on what reversed a duli start to findealers described as futures- ish 16.7 higher at 8,261.0. De Beers gained R2 to

the all share index was 8.6 B157.50 and Sasol spun back on to the upside after a four-Golds traded narrowly to day decline of more than 15

The Leading Edge in Asia-Pacific

Among industrials, South- pulled back to HK\$9.9bn.



Pearson plc

has sold its 10 per cent. stake in



Television Broadcasts Limited

for

HK\$1.4 billion (approximately US\$181 million)

Financial adviser to Pearson plc **Jardine Fleming**

Jardine Fleming

Investment Banking

Jardine Fleming Securities Ltd. Tel: (852) 2843 8888 Fax: (852) 2810 6558

Robert Fleming & Co. Limited Tel: (44 171) 638 5858 Fax: (44 171) 382 8414

For professional investors only.

Approved by Robert Fleming & Co. Limited, a member of the London Sock Exchange and regulated by the SFA truestors should contact Robert Fleming Inc., member of the NYSE and NASD. Tel (212) 508 3841 Fox (213) 508 3669

FT/S&P ACTUARIES WORLD INDICES

	FRIDAY FEBRUARY 20 1997									- THURSDAY FEBRUARY 27 1997 DOLLAR BIDEX							
Pigures in perentheses	_us	Day's	Pound			Local	Local	Gross	US	Pound			Local			Year	
show number of lines	Dollar	Change	Sterling	Yen	DM.	Contency		Div.		Stering	Yen	DM	Currency S	2 week:	2 week	200	
of stock	Index	%	Index	Index	Index	Index	On day	Yield	_index	Index	Index	Index	index	High	LOW	(approx)	
Australia (76)	218.66	-1.0	198.66	188.82	191.91	187.29	-0.7	4.06	220.94	201.32	169.83	194.08	188 70	224.61	188.44	198.30	
Austria (24)		-0.7	168.03	141.07	162.90			1.80	186.13		142.23	163.51	163.45	195.04	174.70		
Belgium (26)		0.0	213.88	179.57	206.58			3.23	235.28			206.68		236.54	203.64		
Brazi (28)		0.0	211.49	177.58	204.27	450,26		1.35	232.74		177.85			242.07	147.48		
Certeda (114)	.197.52	-0.6	179,48	150.69	173,36			1.89	198.73			174.58		203.24	153.61		
Dermark (32)	381.44	فە	328.43	275.74				1.38	361,31			317.39		376.09	291.30		
Finished (26)	.259.02	-1.1	235,36	197.60	227,33	273,69	-1.1	1.94	262.02			230.18			174.47	182.57	
France (91)	218.83	-0.7	198,76	167.71	192.94	196.46	-0.7	2.57	227.32			194.42		222.08	183.87	190.67	
Germany (59)		-0.3	177,84	149.31	171.78	171.7B	-0.4	1.51	196.27			172.41		198.27	164.47	173.42	
Hong Kong (59)	.489.47	-1.0	444,77	373.42	429.59	496,64	-1.0	3.20	494.48			434.37		514.48	402.58		
Indonesia (27)		-0,6	228.52	191.86	220.72	369.89	-0.4	1.44	253.04		193.36		371.46	B17760	702.00	سيبوعه	
retand (16)		0.1	307.61	258.26	297.12	301.23	-0.1	3.12	338.13	308.10	258.39	297.03	301.59	343.35	255.16	259.04	
Italy (58)	_B4,44	-22	78,73	64.42	74.11	108.58	-1.6	1.99	86.35	78.68	65,98	75.85	108.34	96.32	70.61	76.BI	
Jenen (480)	.117.37	-1.6	106.65	89.54	103.01	89.54	-1.7	0.88	119.24	108.65		104.75		164.68	109.16		
Malayala (107)		0.2	595,00	499.57	574.72		0.2	1.01	653,55	695.51		574.11		860.85	812.47		
Masdco (27)1			1243.02	1043.60	1200,81	11920.31	-0.4	0.92	1397.58	1273.45			11965.95		1048 RK	110504	
Natherland (19)		-1.3	312.41	262.29	301.75	297,98	-1.3	2.53	348.24	317.31	286.11	305.91	301.94	354.05		261.23	
New Zeelend (14)		0.4	78.19	65.65	75.52	66.05	0,2	4.28	85.71	78.10	65.50	75.30	65.93	85.60	75.94	81.65	
Norway (41)		-1.1	276,81	232_40	267.36	278.62	-0.0	2.15	308.03	280.8R		270.59		321.23	284.87	238.94	
Philippines (22)		-0.3	187,59	157.50	181.19	270.91	-0.3	0.63	207.12	188.73	158.27	181.95	271.B2	-		400.04	
Singspore (43)		0.0	385,90	323,99	372,73	279.08	-0.0	0.99	424.85	387.12		373.21		449.15	074 NG	157.15	
South Africa (44)	<i>3</i> 60.80	-1.1	927.85	275.26	318.67	353.41	-0.9	2.37	384.80	332.41	278.77	320.48	356.49	367.25	371,28		
Spain (35)	207.83	-0.9	188.85	158.55	182.41	225.70	-0.9	2.79	209.78	191.15	160.31	184.28		228.16	301,49 161,86	397.25 175.88	
Sweden (49)	A29,45	-0.9	390.23	327.62	376.91	476.89	-0.7	2.15	433.29	394.81	331.10			437.08	325.59		
Switzerland (35),	246.68	-0.5	224.15	188.19	218.50	225.57	-0.7	1.32	247.80	225.80	189,36						
Thelland (45)		0.9	74.68	62.70	72.14	82.60	1.0	4.11	81.44	74.21	62.23		227,20	254.34	229.35	232.82	
United Kingdom (212)		-0.4	258.08	214.98	247.33	256.06	-0.7	3.79	282.85			71.54		187.79	75.46	179.58	
USA (654)		-0.6	291.92	245.09	281.96	321.28	-0.6			257.74	216.15	248.47	257,74	284,47	224,39	231,78	
			CO 1-45E	2-4,00	201,00	32120	-40	1,87	323.07	294.38	248.88	283.80	323,07	331.54	254.79	263.69	
Americas (823)		-0.6	267.33	224,44	258.2 1	247.58	-0.6	1.85	295.88	269.61	226.10	259.92	248 95	303,45	233.09	240.50	
Europe (725)		-0.6	220.31	184,97	212.80	223.23	-0.7	2.70	243.94	222.27	186.41			245.79	201.66	208.81	
Nordic (150)		-0.8	338,17	283,92	326.63	357.06	-0.7	2.01	375.18	341.87	286.71	329.59	359.49	379.82	282.52	293.75	
Pacific Basin (873)		-1.3	125.87	105,87	121.57	105.15	-1.4	1.37	140.35	127.39	107.26	123.30		177.01	131.60	162.68	
Euro-Pacific (1598)	181.81	-0,9	185.21	138,70	159.57	149.75	-1.0	2.11	183.50	167.20		161.19		191.51	176.40	180.89	
North America (756)		-0,6	285.12	239,38	275.39	312.97	-0.6	1.87	315.55	287.53	241.13						
Europe Ex. UK (513)		-0.7	198.46	164,94	189.76	200.87	-0.8	2.07	217.82	188.47	166.45			323.68 219.72	248.65	256.91	
Pacific Ex. Japan (393)		-0.6	296.15	240.25	276.39	273.34	-0.5	2.72	316.80	288.67	242.09		274.74		183.36	187-97	
World Ex. US (1811)		-0.9	168.58	141.52	162.61	155.91	-1.0	2.09	187.21	170.58		184.45			268.97	287.38	
World Ex. UK (2253)		-0.8	203.24	170.64	198.31	198.09	-0.8		225.44	205.42	172.27			193.A7	177,71	182.30	
World Ex. Japan (1985)		-0.6	250.49	217.86	250.64	275.23	-0.6	1.79 2.19				196.04		228.50	189.58	205.00	
						214,20		4.14	267.27	201.63	218.52	406-10	276,91	281.77	233.10	239.43	
The World Index (2485)	228.63	-0.8	207.75	174.42	200.66	203.38	-0.8	1.98	230.35	209.89	176,03	202.35	204,99	233.38	202.35	207.39	
Conside ETSE International Line		P															

rights, FTSSE Transmittenical United, Coldonors, Sectio and Co. and Standard & Poor's, 1897. All rights reserved. "FTSSEP Acasaries" is a joint trademast of The Financial Times Limited and Standard & Poor's and Standard & Poor's

HTTS:NE

5-4: -

102 2

Mintel and other

Billiam Billiam P.

1号が2012である。

医静态变形 龙

acific

the second

113

Zambia

The privatisation of the mines could bring prosperity back to Zambia, but strained relations with donors must improve if the aid flows that remain essential to economic recovery are to be maintained. Michela Wrong reports

'Crown jewels' earmarked for foreign buyers

Britain, impoverished Zamhia has taken what history will probably judge to have been the most significant step in its drive to stand on its own two feet and wean itself from reliance on inter-

After four years of agonising, President Frederick Chiluba's government has bowed to the inevitable and started privatisation of the debt-ridden copper mines. What Zambians have long regarded as their country's "crown jewels" are earmarked for sale to a bevy of South African, Canadian, American and other foreign

The unbundling and sale of Zambia Consolidated Copper Mines (ZCCM), due to be completed by the end of 1997. is the most ambitious reform undertaken since Mr Chiluba came to power in 1991 with a mission to liberalise the socialist system established by Mr Kenneth Kaunda, the former presi-

tisation programme already hailed as the most successful in Africa, it holds out the long-term prospect of halting

ore than three haran Africa's most prosper-decades after inde-pendance ous countries to ma of the world's most indebted nations.

"We stand on the threshold," says Mr Theo Bull, a Zambian businessman and economic analyst. "Having climbed laboriously up the mountain, the valley is now stretching out before us. The privatisation of the mines could bring prosperity back

Added together, the various ZCCM privatisations are stated to bring investment worth \$2bn to the decaying Copper Belt, Zambia's industrial heartland, within five years. Not included in that figure is the new development that mineral exploration - currently covering as much as a third of Zambian territory - could trigger.

Sadly, however, that breakthrough risks being obscured by poli-tics - namely, the ruling establishment's determination to stay in power at all

Since altering the constitution to har Mr Kannda now the main opposition leader. The cornerstone of a priva- from standing in November's elections, a government that enjoyed unusually warm relations with the international community in the

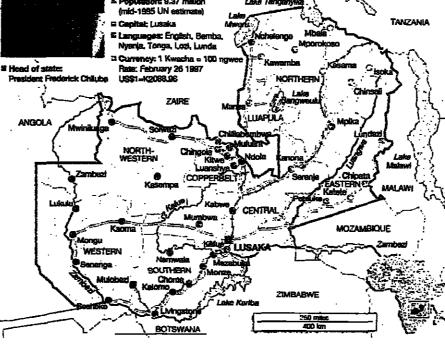
the constitutional tinkering, a flawed poll and a continuing crackdown on dissent. western governments have halted balance-of-payments support, estimated to have totalled about \$140m last

Zambia desperately needs that aid, at least until the impact of ZCCM's privatisation makes itself felt. As a recent World Bank report acknowledges: "The importance of aid flows to Zambia cannot be overstated".

At their peak in 1992 disbursements from both multilateral institutions and individual governments totalled an annual \$1.48 bn. They accounted for 32 per cent of Zambia's gross domestic product, and 77 per cent of total public expenditure - a breathtaking \$130 per head. Even the latest budget.

vaunted by Mr Chiluba as a measure aimed at making Zambia's 9.25m inhabitants face up to the realities of self-reliance, assumes \$275m in project financing and \$200m in balance-of-payments support from donors. Preoccupied with economic fundamentals, the

World Bank remains on course with its funding. The International Monetary manned, poorly-managed party of petty traders and



benchmarks, is this month expected to approve resumption of an Enhanced Structural Adjustment Facility.

But economic analysts agree that with external debt of \$6.4bn to be serviced, this will not be sufficient to tide Zambia along. "It's not enough to have the IMF and World Bank on board," says Mr Elwaleed Taha, IMF repsentative in Lusaka. "With Zambia's debt and its needs for project funding, the bilaterals have to be involved in a finance programme.*

Five years ago, the loss of a privileged relationship with the donors would have been hard to imagine.

hen the MMD, a broad-based move-ment embracing trade unionists, businessmen and defectors from the ruling United National Independence Party (Unip), took power in 1991, it could scarcely put a foot wrong. Mr Kaunda had agreed to

stand down in one of Africa's few peaceful handovers, but he left a country devastated by years of ecopomic mismanagement. The 1975 collapse of the price of traditionally copper. accounting for up to 90 per cent of export earnings, had combined with the oil shock to deal a devastating blow.

Output at the over-

neglected since the colonial era, was still paying the price for state interference in the market. Tourism barely existed.

The MMD took swift action. It sacked the executives of state-owned corporations, devalued the kwacha. liberalised agriculture and relaunched a privatisation programme which until then won only lip-service from the authorities. But economic achieve-

ments have coincided with changes at the heart of the ruling establishment: a steady narrowing of its support base. The moderate "young Turks" who used to advise Mr Chiluba have either left government to stand as independents or been marginalised by increasingly powerful hard-

Accusations of top-level corruption abound but are donors say that while the new government line-up failed to impress, they were enormously relieved that Mr Chiluba stopped short of reappointing several cabinet members alleged to have been involved in drug traf-

"This is not the party l helped set up," complains Mr Fred M'membe, editor of the Post newspaper. "Chiluba has carved out a party that reflects his character - a

looking for self promotion." A founding member of the MMD, he now campaigns with a vengeance against the

Since the November polls. whose outcome was a foregone conclusion after Mr Kaunda's party and six others announced a boycott the government has not relaxed efforts to relegate the opposition to obscurity, targeting journalists, raiding the offices of electoral bodies and lashing out at non-governmental organisations.

This is not behaviour designed to woo back donors who feel the onus is on the government to signal serious intentions of good gover-

Nonetheless, it is clear the aid freeze must be tempo-

IN THIS SURVEY

The economy Stock exchange **Budget** Interview: President Chiluba Profile: The CDC **Politics**

Coppe Privatising ZCCM Profile: Valentine Chitalu Manufacturing

Agriculture

4.66 Total GDP (nominal, \$bn) Real GDP growth (annual % change GDP per head (\$) 35.0 Inflation (annual % change in CPI) Industrial production (annual % change) Money supply, M2 (annual % change 38.6 190 Foreion exchange reservas (Sm) Government spending (% of GDP) External debt per head (\$) External debt (% of GDP) 157.9 Current account balance (\$m) -295 -330 1,040 Merchandise Imports (\$m) -890 -900

Main trading partners (1995)

recent influx of refugees displaced by the lighting in Zaire reminds western governments of the need to prop volatile region. "The donors have poured too much money in over the years to pull the carpet from under us at the last moment," says a government official.

A diplomat admits that each side is waiting for the other to blink. "It's a game of chicken at the moment; a game of double bluff. If we show weakness, the hardliners will know they can get away with anything."

But the longer the standoff continues, the higher the eventual price Zambia will pay. Donors admit that in an era of compassion fatigue, the break in relations will provide many governments with the perfect excuse to slash generous aid budgets. Funding will resume, but not at the old levels.

That means that until ZCCM's privatisation begins to have its invigorating effect - and there is the everpresent danger of the company's collapse before it reaches that point - midterm prospects for a country with per capita incomes of just \$380 are bleak.

undeniably there. More than neighbours. Now we face a 60 per cent of the 280 stateowned enterprises have now been privatised and many of the support we enjoyed, for the multinationals whose nothing."

rary, not least because a companies were nationalised

Britain's Commonwealth Development Corporation alone has invested \$55m since 1991, making Zambia the institution's most impor-Much of its investment has gone into the non-traditional exports - cotton, tobacco. coffee, roses, baby vegetabelieve hold out most hope for the future as the southern African market

opens up. savings levels remain worryingly low. Without more funds - whether from the donors or from ZCCM's privatisation, there are few hopes of revamping the country's deteriorating roads, railway network, schools and hospitals.

In addition, medical experts predict the Aids infected as many as 700,000 adults, could have a crippling impact on the economy unless foreign governments come to the rescue.

"Two years ago everything was looking fine and dandy, says Mr Bull. "There was a general improvement in the economy, social stability and we were on friendly terms The shoots of growth are with the donors and our couple of very difficult years. We have squandered

Be our partner in business and development"

A message from the President of Zambia

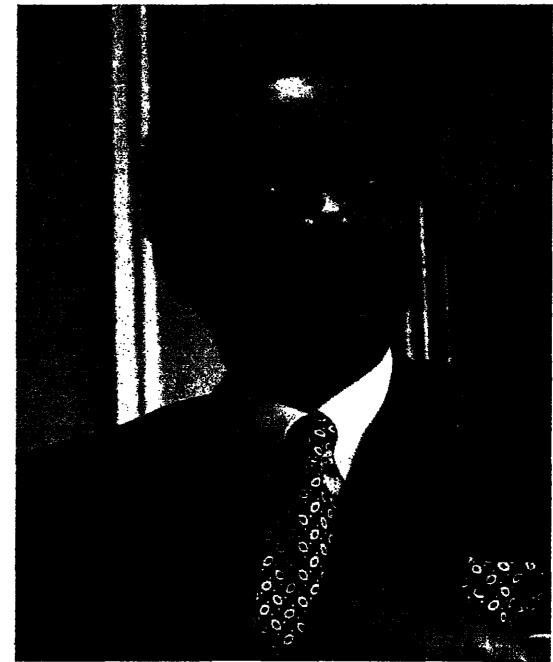
On the 2nd of November 1991, a new Zambia was born, a Zambia of multiparty democratic political process wth open market liberalised economic policies. Indeed, since July 1992, the Zambian Privatisation Agency has successfully privatised 155 companies which have included big corporations like Zambia Sugar Company, Chilanga Cement, Zambia Breweries, Refined Oil Products (now Lever Brothers), and now the privatisation of the Zambia Consolidated Copper Mines (ZCCM) is in an irreversible gear. We want to continue this record of success. How?

The new investment act has added fresh incentives to investors. The tax system is being reformed to encourage new investments and make business grow. The financial market has been opened up enabling investors, traders and visitors easy access to their financial needs, with the banking system fully geared up to provide support in the new business environment. Exchange control regulations have been removed, making it possible for investors to bring in their money in whatever currency and get it out in their preferred currency. When you combine these benefits with the Government's businesslike approach in reducing inflation and establishing a stable macro-economic framework it makes Zambia one of Africa's most attractive destinations for foreign investment.

The Government is working to rehabilitate the physical, industrial and social infrastructure, in terms of roads, railways, electricity, schools, hospitals, sanitation, sewerage and water supplies, for both the rural and urban populations. The country aims to reach new heights as the 21st century approaches. A promising, prosperous Zambia with its youthful population and labour force is eager to make Zambia rich under democratic norms which in practice ensure that the poor do not become poorer, even though the rich may get richer. For you can only build a healthy economy with a prosperous people.

Come and join us, as an investor, trader, visitor or worker. We are now ready with a new business outlook and a renewed, reassuring political mandate in our emerging democratic governance. Be our partner in business and development.

For more information contect: Permanent Secretary, Ministry of Information and Broadcasting Services, lox 51025. Lusake, Zambia. Tel: ++(280 1) 250535 Fax: ++(260 1) 253457 Telex: 40113.



President Frederick Chiluba

THE ECONOMY • by Tony Hawkins

Welcome global trend

Ultimately, it is foreign investment that will make or break Zambia

Anyone listening to Mr Ronald Penza, finance minister, recounting his government's commitment to economic reform, and fiscal and monetary discipline, could be forgiven for believing that here, at last, is an African government that means same at Chilanga Cement.

And it is not the empty rhetoric that comes so easily to finance ministers' lips. The track record is there for all to see - Africa's most ambitious and successful privatisation programme, sweeping trade liberalisation the deregulation of the economy and that most rare of African achievements, a Zambia

Asked to explain the \$139m of foreign direct Zambia's ramshackle infrainvestment and \$330m in short-term capital inflows to Zambia during 1996 – a year marred by political uncertainty, a sharp fall in the price of the country's chief export, copper, and the freezing of donor balance of payments support - Mr Penza says that at last the global business community is beginning to take Zambia

seriously. He can summon other evidence of this welcome trend: the commitment of four leading mining houses - Cyprus Amax of the US, South Africa's Anglo American and Gencor and Canada's Falconbridge - to develop, subject to satisfactory feasibility studies, the Kansanshi and

Konkola Deep copper mines. in February also, the Anglovaal-Commonwealth Development Corporation consortium was due to sign an agreement to develop the Konkola North copper property. Taken together with the privatisation of the state-

Copper Mines (ZCCM), these developments could lead to investment of up at least \$2.5bn in the Copper Belt over the next decade, reversing a generation of decline.

Multinationals that left or were pushed out - in the 1960s and 1970s are returning. Unilever has bought back its plant in Lusaka; Tate & Lyle with the CDC is reviving the country's sugar industry, while CDC has done the

South African retail chains - Shoprite Checkers. Pep Stores and Ackermans - have opened their doors. Lonrho and South Africa's Clark Cotton are expanding cotton and textile activity and last month AECI and Afrox, subsidiaries of ICI and BOC, signed privatisation buy-out deals with the Privatisation

And yet, a comparison of structure with that of Zimbabwe, or even Ghana and Kenya, is a reminder that there is much more to turning an African economy around than getting policies and prices right.

"Go to the Far East, and no-one has heard of us. We don't promote and market ourselves very well" says Mr Bwalyka Ng'andu, directorgeneral of the Zambia Investment Centre. And Zambia's case is not helped by the fact that potential investors must trudge up four or five flights of stairs to reach the ZiC's offices in Lusaka because the lifts don't work!

Yet, ultimately, it is going to be foreign investment, with a diminishing input from the donor community. that will make or break Zambia. The latest official numbers paint a dismal picture of investment which has averaged 10 per cent of gross domestic product during the

Given that with its run-



Helping hands: Mr John Kelly, a surgeon from Birmingham, England, with patients at Monze Hospital in southern Zambia, where he has been instructing local doctors as part of a voluntary prog by the British Executive Service Overseas (Beso).

The charity has completed 26 assignments in Zamble in the past two years, providing volunteers, training and advice. Without such help, lack of training and health facilities - as well roads, railways, icity and telecommunications - threatens to hold back Zembia in the 21st century

Zambia needs to invest 10 per cent to 15 per cent of GDP merely to maintain the existing capital stock, the economy is living on bor-Domestic savines are

insufficient even to finance these levels of (negative) net investment. Growth of 5 per cent to 6 per cent annually, which is what Zambia desperately needs after a generation of declining living standards, implies gross investment of at least 25 per cent if not 30 per cent of GDP. And where is that to come from? As incomes recover, so too

will domestic savings, although the ravages of

down infrastructure, most inflation over the past 15 notably the road network, years have all but killed the savings culture. Foreign assistance will add its contribution, albeit a declining one, as aid fatigue and donor disenchantment with Zambia's governance and corruption shenanigans take their

> tal to fill the gap. The good news is that already the multinationals

Which leaves foreign capi-

are beginning to do just that. In the past three years, foreign direct investment has more than trebled, to \$132m last year from \$40m in 1994. while short-term capital has swung from an outflow of to this foreign investor "feel \$78m in 1994 to last year's good" factor. surprisingly large \$330m

the process of rebuilding ment location. Now that the protracted heel-dragging over ZCCM privatisation - which has cost the economy two years of growth, if not more - is over, and some 60 per cent of the ZPA's working portfolio of vate hands, foreign investor

Ironically, last year's relative stability - from April - of the kwacha, one of the continent's sicker currencies in recent years, contributed The kwacha's uncharacter-

interest and confidence is

increasing.

istic stability is ironic investment in, the infra- and human rights issues.

Køy statistics

because last year's 15-20 per cent real appreciation of the currency is doing nothing to help - and could well undermine - the government's successful drive to promote non-traditional exports. These have more than doubled in the past five years. reaching \$250m in 1996, helping to offset at least some of

the lost copper earnings. But thoroughly appropriate though the emphasis on private foreign investment may be, there is no underestimating the present and future role of public funding. More than anything else, the infrastructure – in the very broadest sense of the word, encompassing education, training and health facilities as well roads, railways, electricity and telecommunications - threatens to hold back Zambia in the 21st cen-

The national budget highlights the problems facing the state. More than half of recurrent spending is earmarked for salaries, interest costs and defence, while the domestically-funded capital budget is a mere \$100m or less than 11 per cent of the total. Foreign aid pays for a third of Zambia's budget, including external interest of just over \$100m and \$260m of

capital expenditure. In 1996, tax revenue accounted for only 18.5 per cent of GDP. Once interest payments and the public sector wage bill have been taken into account, this leaves precious little for day-to-day operating costs,

GDP prowth rate

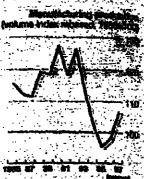
structure. Take away the donor contribution to interest charges and capital spending, and the I per cent of GDP budget surplus omes a whopping 7 per

cent deficit. Despite this, Zambia fell out with its foreign supporters in 1996 not just over political issues but also over economic mismanagement.

The multilateral lenders and donors had every reason to feel aggrieved when after years of patching together the Rights Accumulation Programme (RAP) which allowed Zambia to pay off arrears owed to the IMF and World Bank accumulated during former President Kaunda's economically-disastrous tenure, Zambia promptly lurched off the rails, breaking six of the 10 benchmarks agreed with the Fund under an Enhanced Structural Adjustment Facility programme.

In Washington last year, the IMF official responsible for Zambia was transferred. making way for a new. harder line. The mid-term review of the programme. which ought to have been completed last year, was postponed and due to be approved by the IMF Board at the end of February.

The Fund agreement is crucial because without it, the World Bank is unlikely to call the donor consultative group meeting, necesgramme, with the bilateral donors still smarting from last year's unresolved row and maintenance of, and over governance, corruption



The short-term outlook has brightened considerably After 6.4 per cent growth last year - primarily the severe drought, underpinned by the beginnings of a recov ery in manufacturing, and growth in cobalt production tourism and non-traditional exports - GDP is expected to this year, following a second

good rainy season inflation will slow from 43 per cent to about 25 per cent to 23 per cent in 1997, while least 20 points and the balance of payments will return to overall surplus, provided the short-term capital inflows are maintained. However, this is problematic given the likelihood of significant kwacha depreciation.

But even with the benefit expected from privatisation and structural reform, the long-term prognosis is unpromising. The World Bank believes the Alds enidemic will reduce the rate of population growth from 26 per cent annually in 1996 to 2.4 per cent by 2005, while lopping 1.2 per cent a year off GDP growth, which the Bank projects at 4.5 per cent over the next decade.

Unless Zambia can attract really substantial - East Asian - levels of private foreign direct investment, which is unlikely, its econ omy will continue to underperform and it will take half. a century to bring about significant improvements in the lifestyle of the 70 per cent of the population currently living in poverty.

THE STOCK EXCHANGE

New listings will help fledgling fly

New listings will drive activity on the fledgling Lusaka Stock Exchange (LuSE) during 1997 with Zambia Breweries. controlled by South African multinational SA Breweries, expected to float some of its shares during the second quarter. The Zambia Privatisation

Trust Fund (ZPTF) has appointed Citibank as the issuing house for the Zambrew issue of at least 10 per cent of the shares in the Lusaka-based brewery which were retained by government when the company was privatised in Other likely new listings

include similar

post-privatisation offers by the ZPTF of shares in BP Zambia (25 per cent of the equity) the metal fabricators group, Zamefa, in which US-based Phelps Dodge is the controlling shareholder, and National Breweries, where Lourbo has a controlling stake which brews opaque beer. The Luxembourg-listed Trans-Zambezi Industries may also seek a Lusaka

listing this year. After a slow start from its launch in February 1994, the LnSE came to life last year when market turnover jumped from the

Pangata Securities Ltd.



assets: Zambia Sugar shares attracted foreign investors

\$300,000 averaged in 1994-95 to \$2.6bn. The volume of business in the five listed and three quoted companies jumped from under 8m shares in 1995 to 241m last year, but although there were three new listings - ZCCM "B" shares, also listed in London and Paris, Farmers House and Zambia Sugar market capitalisation actually declined 48 per

cent to \$229m. It has since more than doubled, chiefly reflecting speculative buying of ZCCM privatisation. By mid-February, with ZCCM shares quoted at K3.600 there were no trades at that level which was way

K5,891 - the LaSE market capitalisation had risen to almost \$500m, of which ZCCM accounted for more than half. However, this is a somewhat artificial calculation given the fact that less than 11,000 of the 89.3m ZCCM shares were held in the Lusaka share A welcome feature of last

> vear's activity was the growth of foreign participation. Some 48 more than 40 per cent of the Zambia Sugar share issue, buying \$1.4m worth of shares, while in secondary market trading foreigners accounted for 90 per cent of business during 1996, with trades valued at close to \$2.4m.

> Future prospects, driven primarily by the sale by ZTPF of the state's minority holdings in privatised companies, are bright. Over the next few years, Zambian and foreign institutions and investors will be able to participate in a widening range of businesses that will give exposure to most facets of the Zambian economy. Eventually this will include the state's minority stakes in the demerged ZCCM.

Tony Hawkins

Situation is extremely fragile

may soon be picking up 34 per cent of Zambia's budget tab

Businesses and donors have both broadly welcomed the 1997 budget of Mr Ronald although it contained no startling new initiatives.

The 2.5 per cent reduction in the rate of VAT to 17.5 per cent came as something of a surprise given the anticitax base is growing rapidly - and Mr Penza is forecasting 5.5 per cent after last year's 6.4 per cent growth in gross domestic product - tax cuts are possible.

Worries that last October's elections would provoke a flurry of unbudgeted spending proved unfounded, and the domestic budget - excluding aid - returned a small surplus (K53bn) despite increased spending on interest costs and the repayment of domestic arrears. VAT and trade taxation revenues were well abead of budget

Although Mr Penza has budgeted for a surplus of K63bn (1 per cent of GDP) on the domestic budget this year, the hard reality is that the real budget deficit - be-7 per cent of GDP. If Lusaka can patch up its

relations with the donor community - which is probable, but cannot be taken for

cent of Zambia's budget tab. This is a highly fragile situation given the increasingly parsimonious attitude of Organisation for Economic Co-operation and Development parliaments.

Last year's budget surplus is being used to retire Penza, finance minister, short-term domestic debt which is having the beneficial effect of forcing down interest rates. The Treasury Bill rate had tumbled 14 points by mid-February to the low 40s with further falls pated reduction in donor anticipated as inflation (33 assistance, but so long as the per cent in January) continues to slow.

Dr Jacob Mwanza, gover-

nor of the Bank of Zambia, is

even more optimistic than the finance minister, predicting inflation in single figures by the end of 1997, compared with Mr Penza's more cautious 15 per cent. Average inflation for the year could fall from 43 per cent last year to 25 per cent or even lower, bringing bank lending rates down to the mid-30s from 57 per cent in January. Getting the monetary pol-icy mix right is not going to be easy. The worry must be that sharply lower lending rates will fuel private sector credit growth, resulting in faster money supply expansion that will reverse the current slowdown in inflation. It is also likely to mean fore foreign funding - re- a weaker kwacha. After last

mains unsustainably high at year's 15-20 per cent real appreciation of the currency, this would be no bad thing, although it will have an inflationary impact. Certainly, sustaining rapid growth in non-traditional



The kwacha stood up better than expected thanks partly to strong growth in non-traditional exports - such as these es en route to Europe trom York Farms, an enterprise near

growth in non-traditional exports will become increasingly difficult if the authorities allow - even encourage - the real exchange rate to appreciate again during 1997. With firmer copper prices since the new year, and with some limited signs of a thaw in donor relations, the short-term balance of pay-

ago. The kwacha stood up far better than expected last year - despite the aid freeze and catastrophic decline in cobalt exports, strong

ments outlook is more cheer-

ful than only a few months

exports and a remarkably buoyant capital account performance.

The bulk of this was short-term funding, for which there are few convincing explanations, other than the suggestion that some of it should have been classified as direct investment, while some represented speculators taking a punt on high real interest rates and the stable kwacha, and some offshore borrowing by Zambian exporters.

The current account deficit at 12 per cent of GDP in copper earnings - thanks to 1996 is far too high for com-significantly improved fort especially when its fin-1996 is far too high for comuncertain private sector down the road.

roblematic donor fundin With the Bank of Zambia upbeat about long-term, as well as short-run inflows. the slightly lower projected current account deficit for 1997 is forecast to be more than financed by capital inflows, resulting in a \$90m build-up in the country's depleted foreign reserves.

Zambian ministers and officials hope that the courtry will qualify for the World Bank-IMF debt initiative for highly debt-stressed countries. But with a debt of \$6.4bn and a debt-service ratio last year of about 20: per cent, Zambia is not likely to be at the top of the list, especially since the IMF and Bank are likely to demand at least two years of good performance under the Enhanced Structural Adjustment facility programme before contemplating debt

The disturbing aspect of all this is that for all Lusaka's rhetoric about increasing self-reliance and reduced dependence on donors, the numbers portray an economy that, for the foreseeable future, will have to relay hugely on foreign capital inflows of one kind or another.

If the Zambians can get their act together sufficiently to switch from aid to a mix of foreign investment and trade, so much the better. But the unhealthy focus on donor attitudes and oninions suggests that this necessary realignment of Zambian ancing is dependent on financing is still some way

THE LUSAKA STOCK EXCHANGE with Central Share Depository and 7+3 rolling actilement and no restrictions on foreign ownership

Пюниы Куал Tel: (260-1) 224286 Fax: (260-1) 227764 Energing Markets Securities Ltd Tel: (260-1) 229906/10 Fax: (260-1) 237609

members of the exchange for professional advice.

Finance Securities Ltd Tel: (260-1) 229733/42 Fas: (260-1) 227290

■ First Merchant Securities Ltd Chandra Barkstoki Tež: (260-1) 225757/9 Fax: (260-1) 225764 ■ Inter Africa Equation Ltd Tel: (360-1) 225000 Cheryl Jones Fas: (260-1) 225003

Fac: (260-1) 220708 Lusuka Stock Eschapge Ltd. Tel: (260-1) 228594728391 Fat: (260-1) 228688725969

Tel: (260-1) 238709



ANDERSON + ANDERSON INTERNATIONAL Established 1948

Property and Construction Consultants

Architects, Quantity Surveyors, Project Managers, Estate Agents

Fax: 00 260 1 222433 P O Box 30263, Lusaka, Zambia

Also in Zimbabwe, Botswana, Tanzania, Namibia, South Africa, United Kingdom

SPECIALITY EMERGENCY SERVICES MedRescue ZAMBIA

Travelling in Africa or World-wide? The answer to all your medical needs 24 hours In the Air and On the Ground

◆ Short-term cover for Tourists, Travellers or Visitors

◆ Emergency Evacuation only cover

 Emergency Evacuation and Hospitalisation costs cover. ◆ Emergency Evacuation, Hospitalisation plus non Life-threatening cover.

◆ Local Critical Care Ambulances with Paramedic ICU staff

◆ Air-ambulance service to appropriate Grade A Medical Facilities in South Africa

 Access to small aircraft for immediate response to outlying areas Contact Marianthy Noble, The Grove, Kafue Road, P.O. Box 31500, LUSAKA, ZAMBIA

Tel: (260 1) 273302 / 7 Fax: (260 1) 273301 / 273181

E-Mall: med@zamnet.zm

"Your Business partner in Zambia"

Contact: Ms C J Penza. Century House, Ciaro Road, P.O. Box 35703, LUSAKA, ZAMBIA. Tel: (260 1) 223136 222498/223877 Fax: (260 1) 223876

INTERVIEW WITH PRESIDENT FREDERICK CHILUBA . by Michela Wrong

At the heart of politics

President Chiluba defends the "failed to benefit because of delay in privatising Zambia's low production and when vital copper mines, acionocoledges a chilly relationship with aid donors, and remains unrepentant about constitutional changes which precluded his predecessor, Mr Kenneth Kounda, from standing in last November's poll.

Mark Services

Attecory

oty it.

Property of the second

 $\Psi_{YAY} = \phi_{A}$

Electric District

الم المعالمة.

\$ 8 mg

257 × 1

King Long 1

. . . .

÷.,

D. W.

All Santa Control of the Santa

일본 최기 속시 (Horon Tuber 12)

Marie Committee

South and the

ABO ST And the second

Reviews.

Military of the

\$2.5 A.C.

Fig. 47

Question: Do you regret the long delay in privatising Zambia Consolidated Copper Mines (ZCCM)? Answer: Not at all. This is our biggest public asset. So mining is not just an economic activity, it lies at the heart of Zambian politics and one has to be very careful. Every Zambian has an interest in copper. The delays were not intended. they were the time it took to handle this matter with the

necessary care. Our economy is essentially a mono-economy and for a long time to come we will have to count on copper. With the exception of the last two years, the picture has been very sad. Partly because of a lack of capitalisation, when the market price was good, we

production picked up the price was low. We were moving in circles. Have the reform programmes drafted by the

International Monetary Fund and World Bank been suitable for Zambia? The biggest problem is the mability of the two institutions to look at countries in their peculiarity. But the one great lesson which we've learnt and for which I thank them eternally is their insistence on countries

consuming what they are

lessening their dependence

best at producing and

on the outside world. For all their crimes and evils, that lesson alone makes them good friends of the countries they reform. The latest budget caters for donor aid coming in, but at lower levels than has been the norm.

For the first time in that budget, we are saving that Zambians have a duty, an obligation, a responsibility, sweat, to toil, to produce certain things in their own

country. You can't depend on the British, the Americans, the Germans, the French, the Japanese to pay your salaries here. You must generate your own money.

On matters of great importance, yes: ask them for help. But we must not look to that aid as the primary reason for our efforts to move forward. We must take the lead in helping ourselves. Your relations with the bilateral donors are strained

and in fact bilateral aid has

believe that suspension will

been suspended. Do you

be lifted? It is true, relations have been somewhat chilled: a little colder than we would have liked. We were not opposed to the views of the denor countries but to the way in which they made those views known, which we felt was a little inappropriate in a

democracy. What about the issue that triggered the aid freeze amending the constitution in a way that prevented Kenneth Kaunda from standing?

The people have the right to change their constitution. We set up a multi-party commission including opposition members, the church and

non-governmental organisations, who went around the country canvassing opinions. Only then did the MMD give its

Dr Kaunda was not being aimed at. At the time the commission was appointed, he had publicly announced his retirement from politics. If he had kept his word and retired, this controversy would have been avoided. Meanwhile, although the budget caters for bilateral aid coming in at lower levels than has been the norm, the fact remains that aid has been suspended. Do you believe that suspension will be lifted? The international community understands that poverty anywhere constitutes danger everywhere. The world's

charity, maybe they won't continue to bring it. If they consider it a necessity for the human race to share the wealth of the globe, then there will be transfer.

Why not help those who are helping themselves? We depend on the goodwill of our friends but we cannot force them. Some diplomats in Lusaka

say they are looking for a

goodwill gesture from the government, such as a crackdown on corruption. Is there any serious move planned on that front? It is a total misconception for our partners to think they are forcing these things down our throats. Corruption is a vice and it is in our own interest as

Zambians to remove it. The Anti-Corruption Committee has been set up and all that remains is to appoint people to the board. We have already taken certain measures that don't exist in other countries.

What is incomprehensible is that because we have adopted high standards, we are now judged by those high standards. The MMD now has a



Chituba: 'The benefits of reform have started trickling down'

crushing majority in parliament, the opposition is out in the cold and only a few independents have seats. Would it not be healthy to try and embrace the opposition in the political process? It's ironic that a government which is an outright winner is being asked to form a coalition. You could expect that to be asked of a

minority government, not a

majority government. But

even if there was not a

single independent in

parliament, the government remains accountable to its constituencies.

One can never become complacent and forget the voter. Are you hoping to benefit from the recent IMF

proposals to alleviate the debt burden on the world's most heavily-indebted countries? We believe we qualify for a

heavy write-off or reduction of external debt. What have we failed to do to see the structuring programme

through? When we took office, 40 per cent of our GDP (gross domestic product] was going towards servicing our debt. In such circumstances there's little or nothing remaining for investment; you make one step forward and seven steps back. We need help. Looking back on your five years in office, what do think you have achieved? We've seen a remarkable turnaround, especially in people's attitudes. We've moved from an emphasis on consumption to an emphasis on production; a realisation that we've depended too much on things we didn't produce ourselves.

Our people now believe you can only expect. something when you work and that extends to hospitals and schools.

The world doesn't owe us a living. In agriculture, many difficulties remain with crop financing and marketing, and that's why the government hasn't pulled out completely. Tourism has started contributing again to our economy and its potential is almost limitless. The benefits of reform have started trickling down, although not many people can see that yet.

Investing in fresh fields

With investment of £55m in Zembia over the past five years, the Commonwealth Development Corporation country's largest single

launch of reform in 1992. Zambian investment now accounts for 3 per cent of the CDC's total portfolio. making it the corporation's larvest investment site in Africa.

For the most part, the 1990s investment has focused on traditional areas such as agribusin cement and financial services. But with its: involvement in a consortium with a technical partner, South Africa's Angiovaal mining group, to develop the exciting Konkola North copper property, the CDC is

moving into largely mfamiliar territory. The group's participation in Zambia dates back to the 1940s when it invested in Chilanga Cement, subsequently nationalised in 1972 by the Kaunda

Privatisation enabled it to buy back a 50.7 per cent controlling interest, since when the CDC has embarked on a \$50m rehabilitation and

expansion programs Chilanga, now listed on the Lusaka Stock Exchange, serves the local and export markets (Malawi, Zaire, Zimbabwe).

executive in Lusaka, says expansion is needed because once post-privatisation development of the Copper Belt takes off, Chilanga will not have the capacity to satisfy local demand. its technical partner in Zembia Sugar, also a

privatisation purchase, is



CDC perticipation in Zambia dates back to the 1940s when it invested in Chilanga Cement

UK multinational Tate & Lyle which has 50 per cent of the equity. The CDC owns 28.1 per cent and is participating in a \$70m usion programme to expand production to 250,000 tonnes a year from 159,000. The company is having an important impact on development through its encouragement

The CDC has controlling interests in a number of substantial farming properties focusing on the production of coffee, wheat, maize, soya beans and borticulture. Its York Farms property (51 per cent owned) exports roses to Europe and vegetables to the UK, supplying the Tesco food chain. The CDC Mr Ernest Mtambob, CDC produces three-quarters of

of sugar outgrowers.

Zambia's coffee, and exports wheat and soyas to South Africa. With the purchase of a warehouse in Kitwe – also a privatisation deal – the . CDC has moved upstream with an \$8m investment in a flour and maize mill with

the capacity to produce 7

tonnes an hour of flour and maize meal. Other industrial investments include a \$10m

loan — part of a \$30m co-financing package with the African Development Bank and the European Investment Bank - to a leading textile exporter. Swarp Textiles. The CDC has also lent £5m to a pharmaceuticals manufacturer, Gamma Pharmaceuticals.

The group bought a finance company. Industrial Credit, from Lourbo and Standard Chartered Bank into which it has since injected \$7m with plans for a further

Future developments are dominated by planned diversification into mining With Anglovaal, CDC has bid for the Nchanga-Nkana package in the unbundling and privatisation of ZCCM, and is also a bidder for Chambishi mine. It is looking at bidding for control of Maamba Collieries which could involved an investment of \$20m and two smaller properties, Ndola Lime and Nampundwe Mine which

produces pyrites. With its participation in Konkola North and essuming that some of its bids for ZCCM privatisation are successful, CDC is set to become a significant player in Zamhia's mining industry in the 21st

The group's strategy m Zambia is driven by its confidence in the long-term impact of the economic reform and privatisation programmes, without which very little - if any - of this investment would have taken place.

century.

Tony Hawkins

POLITICS • by Michela Wrong

Elections leave a bitter legacy

Reconciliation with aid donors is proving to be a

resources need to be

in need. If those

distributed from countries

that are doing well to those

government's consider aid as

difficult and slow process

Arranging to meet an opposition leader, ruling party politician or journalist in Zambia these days is a frustrating experience. A afraid he'll be in court that day."

The plethora of legal actions being fought across ditional chief. the country - ranging from libel cases against newspaper editors to cases challengluba's origins and opposition leader Kenneth Kaunda's nationality - is a measure of the bitterness created by last year's elections.

The November polls - staged under a new constitution that prevented the main contender from standing and using an electoral register that embraced only half of the country's eligible voters – left a sour taste. Many ordinary Zambians,

whether supporters of the ruling Movement for Multiparty Democracy (MMD) or Kaunda's United National Independence Party (Unip), felt ashamed of a process that undermined their democratic model for the continent, lumping Zambia with other African nations whose leaders bend the rules rather than risk losing

power. Once-cordial relations between the government and bilateral donors, who cut off balance of payments support in protest at the electoral shenanigans, are badly damaged, with neither side vet willing to apologise for barsh words exchanged.

The sad part is that the trauma was entirely avoid-

that if Mr Kaunda had been allowed to stand, President Chiluba and his party would easily have triumphed among a population that still remembers the abuses committed during the former president's 27 years at the

Instead, the MMD panicked, adopting a constitution that not only excluded call to their office brings a Mr Kaunda on the grounds uniform response: "I'm that his parents were Malawian but also made it impossible for his vice-president to stand because he was a tra-

> With Unip and six other the polls, the result was a now controls 130 of the 150 parliamentary seats.

> But the fact that little more than half the 2.2m registered voters bothered to cast their votes raises fundamental questions over the validity of the government's mandate. It also accounts for the tone of defiant belligerence from the authorities. and their hyper-sensitivity to criticism

In choosing to sacrifice \$140m in 1996 balance of pay- polls were fair. ments funding - and to jeopardise an aid relationship that at its height has brought an annual \$1.48 bn into Zambia - the governcountry's reputation as a ment was taking a calculated risk.

> It assumed that once the elections were safely won it would be able to woo back the donors, understandably reconciliation. reluctant to turn their backs on Zambia after years of support at levels envied by less favoured African states.

the edge of chaos, it has always been a question of when, rather than if, aid is restored to one of the region's most stable states.

able. Political analysts agree what Zimbabwe and Kenya people with influence over



opposition parties boycotting Kaunda: the population still remembers abuses during his era ing President Frederick Chi- landslide for the ruling had managed to get away him have declined, and they with and took their one from are now the hard men who feel most rancour towards that," says Mr Guy Scott, head of the small Lima oppo-

sition party. Sure enough, the first tiny signs of rapprochement are there. After a long break in communications, Mr Ronald Penza, the finance minister. has recently started meeting western ambassadors again. He talks optimistically of a "new spirit of co-operation" with the donors who, he

But the fact that Mr Penza is ready to see acceptance of a flawed process where none exists, and other senior officials report signings of new aid agreements where none have occurred, reveals the extent to which the pragmatists in government are alarmed by the slow pace of

Acting as a strong brake on the process is the increasing radicalisation of the MMD, which has progres-Certainly, with the rest of sively shed its moderates central Africa teetering on since starting out as a broadhased movement united by its rejection of Mr Kaunda.

"Chiluba is getting more dictatorial and authoritarian by the minute," says one "The Zambians looked at ambassador. "The number of

the donors. There are no To many people's surprise, the government has continued to squash dissent since its electoral victory, threatening to seize the assets of non-governmental organisations, suspending journalists in the state media and raid-

claims, now accept that the polls flawed. "The MMD hasn't understood that when you win you become magnanimous,"

ing the offices of monitoring

groups that declared the

comments a diplomat. It has shown no signs of being ready to make concessions to Unip, now staring slow obliteration in the face. Burdened with a 72-year-old leader who cannot stand in the next elections, in 2001. and boasting not a single parliamentary seat, the party can do little more than challenge the polls in the

courts and threaten a campaign of civil disobedience. "We can only call for dialogue: they have to respond. But at the moment they aren't prepared to make concessions," says Mr Muhabi

The donors, too, are waiting for the government to start talking - adamant that they will not make the first move. They are looking for concrete gestures of goodwill, such as a halt to the crackdown on the press and action by the newlyformed anti-corruption committee, before they will consider resuming funding.

relations exercise."

But in the current climate with the hardliners still vocal, donors say it is quite possible that a pledging session in Paris will be delayed until December, meaning an entire year will have been

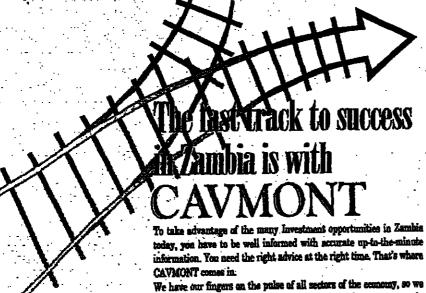
A long delay carries great eign governments under domestic pressure to cut aid that when aid eventually does resume, it will be at nothing like its former levels, when it accounted for as much as 77 per cent of total

government expenditure. "Several of my colleagues have already signalled that when they resume aid it will be at dramatically lower levels," acknowledges an ambassador. "The world has moved on. In 1991, Zambia was flavour of the month. Now there are new flavours

of the month." Much depends on which MMD camp - the hardliners or the moderates - Mr Chiluba decides to heed in the

coming months. Pessimists fear his new mandate will make the president more arrogant, the repression will continue and he could even go so far as to tinker with the constitution again to allow himself a third term in office.

Optimists hope to see a general easing up by a presifear from the opposition and Lungu, Mr Kaunda's spokes-man. "They want the kind of the nature of the legacy he dialogue that is a public leaves his country.



can help make the most of the opportunities that await you in privatisation, equity trading on the fast growing Lusaka Stock Exchange and help you go about new investment schemes with speed. We also offer the full range of investment hanking services. The name CAVMONT embraces CAVMONT Merchant Bank, CAVMONT Gosranty and Trust Company and CAVMONT Securities ia founder member of Lusaka stock exchange) -altogether ensuring that when you do business in Zambia, you'll be on the fast track. CAVMONT Merchant Bank Limited

CAYMONT Guaranty & Trust Company

CAVMONT Securities Limited

Pourth Flaor, Tauera Hause, Independence Avenue P.O. Ber 35476 Lauska, Zambia.

1600 250] 225853-6, Parsimile 260 I 224304.

INVEST IN ZAMBIA?

- STABLE, PRO-BUSINESS GOVERNMENT
- NO EXCHANGE CONTROLS

ENVIRONMENT

- ABUNDANT NATURAL RESOURCES
- STRATEGIC EXPORT LOCATION HOSPITABLE SOCIAL CULTURAL



For further information contact: Zambia Investment Centre Ndeke House, P.O. Box 34580, LUSAKA. Fax: 260-1-252150 Tel: 260-1-252130, 260-1-252152, 260-1-252133, 260-1-255241/3 E Mail:- invest@zamnet.zm



INVESTING IN ZAMBIA'S GROWTH

- Chloride Zambia
- Madison Insurance Zambia
- Zambeef Products
- Zambezi Ranching & Cropping

Business knows no borders

Securities registered by Zambia Securities and Exchange Commission (SEC), Zambia

TZI (Zambia) Limited, 255 Kaleya Road, Roma, Lusaka, Zambia Tel: (260 1) 295522, Fax: (260 1) 295527 E-mail: TZI@zamnet.zm THE COPPER INDUSTRY • by Mark Ashurst

On the brink of bankruptcy reserves, and by the time ZCCM was formed in 1981,

Foreign investors seem undaunted by the spectacular demise of the industry

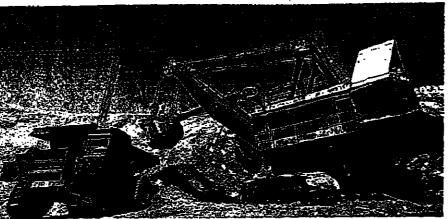
"Everyone knows that sooner or later the government will take control... but nobody is prepared to say so. Nor when it is likely to happen, nor how it will happen, nor even when and how (and whether) it ought to happen... The eventual fate of the copper industry stubbornly remains one of the largest unresolved questions facing the country.

Almost three decades have assed since Mr Michael Faber, academic and former adviser to the Zambian government, offered this analysis of the copper industry on the brink of nationalisation.

In the intervening period, production has fallen steadily from its 1969 peak of 720,000 tonnes to 327,473 in 1996. The resulting slump in national income sparked the social unrest which in 1991 ended 27 years of autocratic rule by Mr Kenneth Kaunda. Zambia's founding president. Since then, rising debt and a faltering cashflow have nushed Zambian Consolidated Copper Mines to the

brink of bankruptcy. Its imminent privatisation, year, is the most ambitious economic reform since President Frederick Chiluba's ruling Movement for Multiparty Democracy came to power five years ago. But despite a sea change in sub-Saharan politics, and the economic orthodoxies that accompanied it, the motives for privat-Ising ZCCM have much in common with those which led to nationalisation in

Then, as now, there was consensus that copper production "should be increased beyond current plans" although Mr Faber writes that this was tempered by



likely to be so".

Second, in a faint echo of Mr Kuanda's past ambitions, officials at the Zambian Privatisation Agency argue that a buoyant copper industry could accelerate industrial development and restore per capita incomes to their highest level since the 1960s. But to this day, the fate of Zambia's copper industry remains one of the largest unresolved questions facing the country.

The burgeoning exploration and prospecting activities in the Zambian Copper Belt over the past three years testify to the promise of the ore reserves still to be due to be concluded this developed, although new projects will be highly geared to fluctuations in the copper price. But despite robust demand, the heyday of the world copper industry

> Between 1929 and 1960, world copper consumption rose from 2m tonnes to 4m tonnes. By 1976 demand had more than doubled again to 8.5m tonnes, compared with its current level of about 10m tonnes a year. This phenomenal growth was driven largely by electrification. which brought the proliferation of lights, motors and telephone cables.

which could be mined are, in influence of rival colonial present circumstances, not powers in Africa, that attracted the first prospectors to the Copper Belt in the late 19th century.

The origins of state control of the copper industry can be traced to the eve of Zambian independence in 1964 when the British South Africa company, founded by Cecil John Rhodes, surrendered its rights to the mineral reserves of the colony then known as Northern Rhodesia.

Faced with a sudden ultimatum - an offer of £2m each from the British and Zambian governments for all the nation's mineral rights, or nothing - directors were given just 11 minutes to reach a decision.

The company's acceptance was announced to the public three hours before the Zambian flag was raised at the independence ceremony. The deal marked the end of what Mr Kaunda described as "the saddest economic arrangement ever made in this country". In the years to 1963, an estimated £82m in mineral rights were claimed by colonial powers.

Mr Kaunda's next move to divert copper profits from 1970 when the state took a 51 per cent stake in Nchanga and Roan Consolidated. It was the promise of this South Africa's Anglo Americapital

In the 14 years prior to nationalisation, while copper output rose by 80 per cent, investment amounted to less than half the sum of dividends sent abroad. The impact of Mr Kaunda's intervention was exacerbated by Zambia's dependence on conner earnings, in a virtual monoeconomy, the metal traditionally contributed 90 per cent of export earnings.

we were starting to see the cracks in the walls."

Although last year's slump in the conner price and the rapid growth of non-traditional exports has begun to erode this figure, lower copper production in 1996 was the main cause of an 18 per cent drop in export earnings

The shortage of capital has become progressively more acute. Since the early 1990s, ZCCM has vetoed any capital expenditure that did not bring a return within 18 months. But production costs at its ageing mines have followed an upward path since the 1930s, when the Copper Belt mines were among the lowest-cost producers in the world. During the depression of 1932, these mines sold copper at 3 cents a pound, compared with the cheapest American price of 7

Today, ZCCM is in the top quartile of high-cost producers. The cash-starved group currently sits with external debt of more than \$600m. and short-term debt of \$150m-\$200m owed to local suppliers. The total debt is broadly in line with ZCCM's net asset value. "If it came to a push. I think that ZCCM can meet its creditors," says Mr Willa Mung'omba, head of the Zambian Privatisation Agency's ZCCM task team.

It is a mark of the industry's spectacular demise that even this precarious position is now presented as grounds for confidence among foreign investors daunted by the PRIVATISING ZCCM . by Mark Ashurst

Spectacular interest from global industry

The critical question is whether the business can be revived

For a company too poor to lay off its workers, the interest from the global mining industry in the privatisation of Zambian Consolidated Copper Mines (ZCCM) is

Cash flow at the ailing conglomerate is so tight that the group can not meet the cost of redundancy payments at exhausted mines, but concrete evidence of optimism among foreign investors includes:

 The signing last month of a long-awaited memorandum of understanding between the Zambian government ZCCM, Anglo American and Gencor of South Africa, and Falconridge, the Canadian group, to carry out a feasibility study into the development of Konkola Deep:

• The sale in late January of Kansanshi, a marginal mine producing less than 1,000 tonnes of copper annually, to Cyprus Amax, the US group, in a package priced at \$28m. The deal compares favourably with the premiums paid for copper deposits in the bull markets of Chile

and Peru; • The issue of new prospecting licences, which has progressed so rapidly that the government's map of exploration activity is routinely out of date within weeks of publication;

• The flurry of interest among international mining groups considering an offer for ZCCM's existing assets. From the 37 majors which prequalified to bid for the various tranches of ZCCM, a total of bids were received by N M Rothschild, the investment banker appointed to manage the

sale, by the deadline of February 28; and The emergence of Zambia Copper Investments, the subsidiary of Anglo American. ZCCM, but ZCI has emerged as an enigmatic counter highly geared to the perceived prospects for Zambian copper. Earlier this year, the shares doubled in value over

new discoveries at Konkola The activity is particularly noteworthy given ZCCM's crushing debt, and its history of poor investment in new ore reserves. The group's external debt, which includes tranches of multilateral loans secured through the Zambian gov-

one weekend on rumours of

exceed \$600m. In addition, ZCCM owes \$150m-\$200m to local suppliers and creditors, many of whom exploited the volatility of the Zambian kwatcha and the strict exchange control regime of the 1980s to inflate prices well above international equivalents. The group's total debt of about \$800m is broadly in line with the group's net

ernment. is estimated to

asset value. With estimated copper production of 350,000 tonnes this year, about half the level of the early 1970s, the rationale for the privatisation is clear. First, ZCCM is in dire need of new capital for long-term development, which the state can not afford.

Second, the experience of state intervention - which deprived ZCCM of its foreign earnings and guaranteed contracts for local suppliers in place of competitive tendering - has highlighted the need for private sector disci-

According to Mr Geoff Casson, senior manager of corporate planning at ZCCM. local suppliers have made "no real attempt" to lower

For new operators in Zambian mining, however, the retain 20-30 per cent of each critical question is whether the business built by ZCCM can be revived - or whether its prospects are limited to new deposits. Few doubt the potential of the undeveloped eserves, and the best-known deposits are set to attract substantial development. The estimated cost of developing Konkola Deep is \$700m-\$800m, and confidence has been buoyed by Anglo's decision to include an option on a marginal mine with

Archives have helped new arrivals to develop exploration strategies

and a nearby smelter at Mufulira in the deal.

Neighbouring Konkola North was sold to Anglovaal last year, partly in response to ministers' frustration with the slow pace of negotiations over Konkola Deep, and is expected to absorb \$1bn. "We've done an enormous amount of work and we are committed to 50,000 metres of exploratory drilling," says Mr Derek Kyle, director of new business at Anglovaal, which has spent about \$15m to date on exploration in Zambia

Although much of the data previously assembled by ZCCM, Angio American and to be analysed using modern methods, the archives have helped new arrivals to develop detailed exploration

The existing operations are more fragile. An internal audit carried out by ZCCM in the early 1980s calculated that to sustain annual copper production of 500,000 tonnes would require new capital investment of \$300m

That figure has never been achieved, with the result that most of ZCCM's operating mines are now 20-30 years old with costs in the top quartile of the global industry. The workforce has been reduced from more than 50,000 to 42,000 in the past five years, and a further 15 per cent could be sacri-

ficed by new owners.

The methodology of privatisation has sparked fierce debate. After four years of delays, the Zambian Privatisation Agency has opted to unbundle ZCCM's assets for sale in nine separate packages, each including new mining prospects. ZCCM will

Mr Willa Mung'omba, head of the agency's ZCCM task team, says short-term debts will be written down using the proceeds of the sale, while "a substantial amount of long-term debt will have to be relocated (to the various packages)".

However, not all the marginal mines will find suitors, and those which are not sold will remain temporarily in ZCCM pending disposal. The precise contents of each package remains negotiable, and it is in the months following the bidding deadline of February 28 that the toughest work will be done

Arguably the most endur ing problem is debt. for which a new home can not be stound until the final structure of the packages is known. Once the debt burden can be shifted to the 6,000 employees at Konkola new owners, ZCCM will be transformed into a holding company with minority

stakes in its former assets. This approach runs counter to the advice of Anglo American, which advised ZCCM in 1992 to authorise a rights issue to re-capitalise ZCCM. Mr Anderson Mazoka, Anglo's managing director in Lusaka, argues that a share issue would have provided instant capital, while the disposal of ZCCM's controlling interest to new buyers could have averted fears of a

in terms of an amalgamation agreement between Angle and the Zambian gov ernment, each has a first right on the other's shares in the event of a substantial disposal. Anglo is "not interested" in a general bid for ZCCM, says Mr Mazoka, but its efforts to secure manage ment control have been rebuffed. The ZPA's preference for unbundling is a more complex mechanism of raising capital, but one designed to avoid a concen-

tration of ownership. Whether that route will be justified by an influx of development capital from an array of competing investors will become clear in the months shead.

the unwelcome knowledge exponential growth, and its can and Amax, the US-based that "substantial ore-bodies potential to consolidate the group, retained 49 per cent. There was no replacement of scale of the task ahead.

MANUFACTURING INDUSTRY • by Tony Hawkins

erings of recovery required; to satisfy delivery stock among mining investment by some "interinvestment by some "inter-

Inadequate electricity, roads, telephones and security cause serious problems

Almost all indicators suggest that 1996 was a watershed year for manufacturing industry.

After peaking in 1990, the years to its lowest level since the late 1970s. But last year there were the glimmerery was a good deal stronger ers on the Copper Belt reporting volume growth of 25 per cent.

The signs are that manufacturing will grow significantly faster this year. Mr Mark O'Donnell, chairman of the Zambia Association of about the prospects for nontraditional exports which have increased 150 per cent over the past six years from \$90m, excluding electricity. in 1990 to an estimated \$230m last year. Non-traditionals now account for a quarter of total exports - up from 8 per cent in 1990.

tional exports now account

gories being floriculture, semi-precious stones, textiles, primary agricultural goods and chemicals and engineering products. Some 37 per cent of non-traditional exports go to European Union countries, with ness and Germany for more

Mr O'Donnell is upbeat. too, about future trade links with South Africa with whom Zambia hopes to negotiate a bilateral agreement. He believes a most-favoured-South Africa, that reduced tariffs by 50 per cent, would substantially increase Zambia's access to the South African market.

than a fifth. volume of manufacturing to regional trading partners, production plunged 25 per excluding South Africa, dom-Zaire which between them account for almost twothirds of the regional trade. ings of recovery as value Malawi and Tanzania are added rose 2.5 per cent. also significant importers. Some believe that the recov-South Africa accounts for 8 per cent of the total, putting

Zambian industrialists cite the infrastructure - especially the roads - and a "crit-ical shortage" of skills as the main constraints on growth According to the Export in the late 1990s. Although Board of Zambia, non-tradi- the government is to invest \$500m in road rehabilitation for some 40 per cent of the and development, this will production of companies it only alleviate the situation surveys, with the main cate- significantly towards the end

PANGAEA PARTNERS ZAMBIA LIMITED

PANGAEA SECURITIES ZAMBIA LIMITED

(A member of the Lusaka Stock Exchange)

■ INVESTMENT BANKING

STOCK-BROKING

PRIVATISATION

■ FINANCIAL ADVISORY SERVICES

ASSETS MANAGEMENT

MEBELO K. N. MUTUKWA

(in Pean Luncks Stock Englange Benjaling 2A Carro Road PO New 2016), Luncks 10101 Zentin

(d: (344)) 256 water (2), (364) 2 YE

Offices in:

■ U.S.A. ■ U.K. ■ Turkey ■ Snoth Africa ■ Zambia

o Service**s** For Emerging Mickels

Managing Director

Britain accounting for almost a third of this busi-Another 37 per cent goes

it in joint fourth place with Germany, behind Zimbabwe, Zaire and the UK.

Manufacturers, is bullish nation agreement with

of the decade. While welcoming the 2.5

per cent reduction in VAT to 17.5 per cent, industrialists say they would like to see a further cut to 15 per cent, allied with greater investment incentives with accelerated depreciation allowances over two to three years rather than the existing five years.

Zambia's basic corporate tax rate of 35 per cent is competitive within the cent in the following five inated by Zimbabwe and region, and particularly for agriculture and non-traditional exporters who pay only 15 per cent company tax, while companies listed on the Lusaka Stock Exchange pay 30 per cent.

If investment certificates issued by the Zambia Investment Centre are any guide, manufacturing is the sector attracting most new invest-ment. In the four years to 1996, the centre licensed more than 300 new manufacturing projects worth \$322m, closely followed by agricultural projects valued at \$298m. Between them, these two sectors account for twothirds of "pledged" investments since 1993, worth \$950m. There is, of course, no guarantee that licensed projects will actually go ahead, and all projects do

The constitution dictates

new head of state by 2001,

when President Frederick

Chiluba is due to complete

his second term in office.

The 32-year-old chief

executive of the Zambia

Privatisation Agency says

his task of dissecting the

state-controlled economy is

critical to the health of the

young democracy. And in

the absence of an obvious

Chiluba, some say his track

record would make him a

favourite choice among the

support is vital for Zambia's

Mr Chitalu rubbishes the

suggestion. His growing

reputation as the architect

of Africa's most successful

privatisation programme is

successor to President

foreign donors whose

nomic reforms.

not want the job.

that Zambia will need a

its licences do not capture all the new investment being undertaken. Not everyone shares the

of the share capital of the

respective mines and contin-

ued to manage them until

the mid-1970s, when their

Amax subsequently with-

ments, a subsidiary of

contracts were terminated.

drew, while Zambia Cooper

Anglo, retained a 27.3 per

cent stake in ZCCM, the new

group formed when the

mines were merged in 1981.

"It has been difficult for us

to exert any influence at

board level. ZCCM was a

portfolio investment," says

Mr Anderson Mazoka.

Anglo's managing director

The subsequent decline of

the Zambian copper indus-

try, which has slipped from

its 1970s position as the

world's fourth-largest copper

producer to 12th place last year, is well documented. Its

demise began with the world

oil crisis in 1978 which

slowed industrial develop-

ment, drove down copper

prices and created a short-

age of foreign exchange. The

government reacted by

retaining the majority of the

mines' foreign earnings to

fund its programme of social

and infrastructural develop-

From that point on, recalls

Mr Geoff Casson, senior

ning at ZCCM, "the industry

ate its own capital and relied

on loan finance to develop

short-term surface projects.

in Lusaka.

fragile optimism of Zambian industrialists. A recent World Bank study notes that 'experience so far does not offer much basis for optimism that manufacturing can be an important driving force of Zambian development in the short-to-medium term; non-resource-based manufacturing seems especially poorly positioned".

Viewed solely from a cost

perspective, the Bank says Zambia is "surprisingly competitive" as an export market for clothing manufacturers. Its labour costs (in mid-1994) of \$30 a month for factory labour are well below those of countries such as Zimbabwe (\$60 a month), Kenya (\$40), and Mauritius (\$110) that have managed to break into global export markets. Even with lower productivity, Zambian costs remained

advantageous.
But there is far more to successful exporting than cost competitiveness. The World Bank finds Zambia lacking in the experience and capacity to produce large-volume orders; to meet the stringent production and not go through the centre, so quality specifications

no qualification for the job,

worked in the public sector

before, and I don't like the

smell. I am looking forward

to going back to the private

The speculation, albeit

unfounded, is a mark of the

symbiosis between Zambia's

privatisation programme

and its faltering transition

"Democratic adjustment

is very much dependent on

says Mr Chitalu. "Zambian

quality that donors want

cent of the economy is in

private hands there will be

2 more even distribution of

Mr Chitalu believes the

political power".

threat of one-party

structural adjustment.

democracy is not of a

to a modern, multi-party

дешостасу.

he claims. "I have never

national market player" that portfolio investment in would set a learning process in motion for Zambian manufacturers to copy. Despite this, the World

Bank's baseline scenario for the 1994-2005 period projects manufacturing growth of 4.3 per cent annually; only fractionally slower than the 4.5 per cent growth rate of GDP. But even this modest growth will prove elusive without the appropriate enabling environment. In the World Bank's words: "Infrastructure is highly inadequate for manufacturing companies that aim to conduct their business

according to modern stan-

dards. The most serious

problems are caused by inadequate electricity, roads, telephones and security". Given these problems, manufacturing's recovery is going to be a slow business albeit one that will be boosted enormously once copper privatisation is up

and running.
On present form, it will take until the year 2000 to regain production levels of the early 1990s, but Zambian manufacturing in the 21st century will be very different from that of the 1980s, if only because it will be much more export-oriented, though remaining strongly resource-based.



Critical role in the economy's rescue

Chitalu: controversy reinforced his reservations about foreign aid

because the economy is still in state hands. When 90 per private sector, not the government, to reform the

impasse becomes a deterrent to foreign investors, he says. Mr companies". has reinforced his reservations about foreign

dominance has highlighted the importance of economic reform. Democrats, he says, must pin their hopes on the

country. stalled if the diplomatic

Chitalu wants "enough foreign interests so that it will become impossible for diplomats to take action that will hurt their own The political controversy

aid. He sees the acute disappointment among foreign donors as a counter-reaction to the extraordinary support given to Zambia in 1991, when Mr Kaunda lost power after 27 years at the helm of a

one party state. "We are living beyond our means. A more normal level of donor support will help us attain reality. "We need to strengthen

institutions like the ZPA.

which act as a check on

government," says Mr Chitalu. Of 11 directors on the ZPA board, eight are nominated by organisations in the private sector. Mr Chitalu, a former merchant banker and UK-qualified accountant

with a masters degree in

development economics from Cambridge, has played a critical role in rescuing the Zambian economy. Five years ago, the country was on the brink of economic collapse. Today. the privatisation

orchestrated by Mr Chitalu has triggered a surge in foreign investment, and rapid growth in export-oriented industries.

Mr Chitalu has now mbarked on his toughest assignment yet - the privatisation of Zambian Consolidated Copper Mines. Recovery means securing

new capital for a group with an estimated \$800m of debt at a time of weak copper prices.

have been to accept a general offer from a consortium led by Angio American, which already holds 25 per cent of ZCCML But Mr Chitalu is wary of an excessive concentration of power in the private sector. Consequently, the ZPA will unbundle the biggest mines, package them with new prospecting rights, and sell them

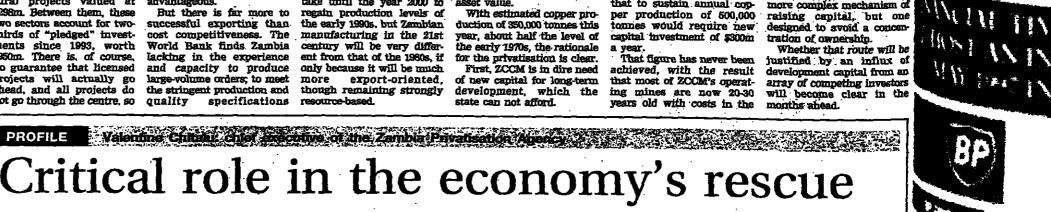
individually. "The route is still open to buy the whole thing. But anyone who does that will have de facto control of the economy," he says. "No-one wants that. We will let the market decide."

Mark Ashurst



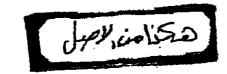












intere

The African Economic Revival starts here



77 ambia has the most liberal economy in Southern Africa with no exchange controls, vast natural wealth, a sound infrastructure that links the nation internally and internationally, a stable democratic political system and all backed by far reaching and visionary economic reforms with a full commitment to privatisation and to a market lead economy.

INVEST ZAMBIA

The Zambia Privatisation Agency offers the following

ZAMBIA STATE INSURANCE **CORPORATION LIMITED** Zambia's premier insurance company.

ZAMBIA **TELECOMMUNICATIONS** CORPORATION LIMITED Provides all of Zambia's telephone, telefax and telex services.

KAFUE TEXTILES OF ZAMBIA LIMITED One of the country's largest textile

MAAMBA COLLIERIES LIMITED The only coal mine in Zambia, supplies coal to major industries

NITROGEN CHEMICALS OF ZAMBIA LIMITED 70% government shareholding in NCZ is on offer.

NDOLA LIME COMPANY LIMITED

The only producer and supplier of quicklime, limestone and hydrated lime in the country.

SCAW LIMITED Manufactures products essential to Zambia's huge mining and concentrator operations.

RANCHES Several prime ranches with excellent arable land are on offer. ZAMBIA EDUCATIONAL **PUBLISHING HOUSE** Publishes, prints and distributes books throughout the country, vital to the national educational programme.

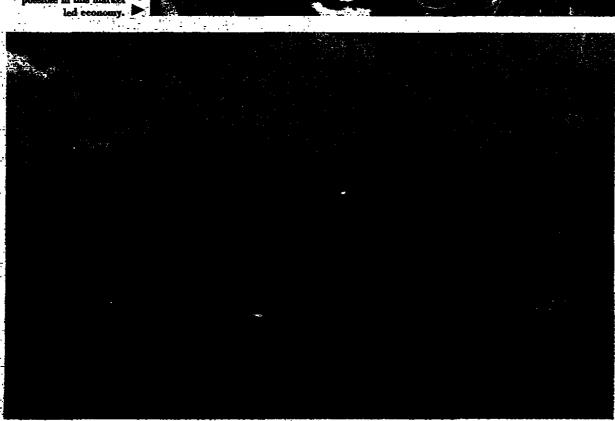
KAFUE GORGE LOWER MW HYDRO-ELECTRIC PLANT Involving the financing of a 600 Megawatt hydro-electric generation cost effective project.

INTER-CONTINENTAL HOTELS The Inter-Continental Hotels in Lusaka and Livingstone, two of Zambia's leading hotels, playing a vital role in tourism.

ZAMBIA FORESTRY AND FOREST INDUSTRIES CORPORATION involved in the felling, extraction, transportation and processing of timber.

RESERVED MINERALS CORPORATION involved in the marketing of all gemstone types, including ornamental stones.

KARIBA MINERALS LIMITED AND KARIBA **AMETHYST MARKETING** LIMITED Involved in the mining and marketing of amethyst gemstones, one of Zambia's most beautiful gems.





FINANCIAL TIMES CONFERENCES AND THE ZAMBIA PRIVATISATION AGENCY WILL HOST AN INVESTMENT OPPORTUNITIES CONFERENCE IN LUSAKA ON 14 & 15 MAY 1997 IN CONJUNCTION WITH THE FOLLOWING LOCAL SPONSORS



BARCLAYS BANK OF ZAMBIA

WITS LIMITED

CAVMONT Merchant Bank Limited

CAVMONT MERCHANT BANK

BP ZAMBIA

Lonrho zambia limited

ZAMBIA SUGAR PLC Coopers

&Lybrand

WITS LIMITED

AND AFROX

FINANCE BANK

LONHRO ZAMBIA

COOPERS AND LYBRAND

NORTHERN BREWERIES

AFRICAN OXYGEN LIMITED

FINANCE BANK LIMITED

Price Waterhouse



PRICE WATERHOUSE

For more information contact: LYNETTE NORTHEY/LISA DAGLISH - FT Conferences, Maple House, 149 Tottenham Court Road, London W1P 9LL, United Kingdom. Tel: (44)-171-896 2626, Fax: (44)-171-8962996



Zambia Privatisation Agency

Contact: Privatisation House, Nasser Road. P O Box 30819, Lusaka, Zambia Tel: (260)-1-223859, 227791 or 222858 Fax: (260)-1-225270 E-mail: zpa@zamnet.zm

TOURISM • by Stephanie Gray and Michela Wrong

Ministerial foot-dragging has, until recently, delayed privatisation

When Mr Ben Parker and his business partner first started clearing bush on the north bank of the Zambezi to make room for a lodge, they were laughed at by developers across the river in Zimbabwe. "They thought we were nuts to be setting up in

Seven years later, the British-owned Tongabezi lodge, 15km from the Victoria Falls, caters for the top end of the tourist market, providing the kind of service and facilities signally absent at the superbly-located but decaying government lodges downstream.

Guests pay \$260 and more a night, for the chance to stay in its tented rondavels perched picturesquely on a vast sweep of jungle-fringed river, canoe alongside snorting hippos, and fall asleep listening to a hypnotic chorus of frogs and crickets.

And much to Mr Parker's mocked are now playing further conspired against it.

copycat. Shearwater, the Zimbabwean hotel chain, door to Tongabezi, violating environmental recommendations that riverbank developments should be separated

by at least half a kilometre. This is a test case. If Shearwater are allowed to go ahead, this part of the river will become a Riviera. Every Zimbabwean is looking for land here," says Mr Parker, who is campaigning to have

The fact that developers Zambia. They couldn't are actually wrangling over believe it." turf in Zambia is a measure of how far its tourism indus-For decades its assets

- the breathtaking Victoria Falls, Lake Kariba, the mighty Zambezi, the sandy beaches of Lake Tanganyika and the superb game parks of the Luangwa Val-ley-were one of Africa's best-kept secrets. An unreliable national air-

line, poor roads, dreary state-owned lodges and a failure to market the destination internationally kept visitors away. Zambia's proximity to Zaire, where ebola fever outbreaks and rebel advances receive dismay, those who once alarming foreign coverage,

Of all the sectors of the. economy, tourism was the slowest to respond to the privatisation process, held back by ministerial foot-dragging.

We have never been shown a list of the lodges and campsites owned by the government," says Mr Stuart Cruickshank, technical director of the Zambia Privatisation Agency. "We understand that some 60 per cent have been bought, but we don't know who was involved."

That era appears to have ended. The privatisation agency is shortly to be handed complete responsibility for the state's remaining properties and in his latest budget the finance minister announced the establishment of an autonomous tour-

"At least a year has been lost, but there seems to be a new determination," says Mr Cruickshank. "The potential is enormous and there's a lot of interest from British, Zimbabwean and South African

Zambia starts from such a low base that the room for lodge operators have given deputy president of the expansion is vast. Predictions made four years ago by the then tourism minister that visitor numbers would reach 400,000 by 1995 have hotel owners to form the

Official statistics show that only 166,260 tourists - one minth of the numbers that visit Zimbabwe each year - came to Zambia last year, bringing revenue of \$150m.

Even that number is suspect because industry operators complain that no accurate records are kept and the figure probably includes large numbers of business-men and World Bank consultants rather than bona fide

Nonetheless, the industry's contribution to GDP growth amounted to 17.7 per cent in 1996. Playing a role in this increase has been the emergence of private airlines - Aero Zambia, Zambia Express, Eastern Air and Roan Air, partly owned by the copper conglomerate 2CCM - which replaced the defunct Zambia Airways, and a marketing exercise that has Zambia's delights displayed on the Internet rather than in the dingy windows of the existing Tourism Board and Ministry.

The private safari and

up the practice - mostly by ty-of trying to cut each other's throats and have teamed up with the big

Zambia Tourism Council in

order to speak as one.
They have been encouraged by the dialogue they now enjoy with the government, largely due to the presence of Mr Xen Vlahakis, a private sector travel businessman, as permanent secretary at the Ministry of Tourism. "Five years ago, no-one in government would speak to any of the companies," said Mr Mark Harvey, council and representative for the safari operators.

The private sector is pleased that it has been invited to participate in the

drafting of tourism, national parks and wildlife bills that might address such issues as the complex question of land rights in a country where much of the land is communally held and there are few records of title deeds.

Making a virtue out of necessity. Zambia's tourist operators are sniffy about the success of their counter parts in Zimbabwe and Kenya. They hope to avoid excessive commercialisation and develop Zambia as an exclusive destination.

"We can't compete with them because we don't have the infrastructure," said Mrs

Agnes Seenka, acting chief executive of the Tourist Board. But she and most others in the business are keen not to have 20 vehicles circling one animal or a hamburger bar blotting the landscape on their side of Victoria Falls.

Applications for a cable

cer, an amusement park a a cage that would be inwer into the Boiling Por - selve the spray from Victoria Fal billows up the gorge - hav been refused and anyon applying for lodge dereid ment must first carry out i istaemaorivae

AGRICULTURE • by Stephanie Gray

hold the key

Lonrho's lead could be a model for Zambian agriculture in general

Mr Ginty Melvill, a hard-headed cotton expert from Zimbabwe has introduced an outgrowers' scheme the success of which is critical for the Zambian economy if it is to continue its modest move away from near-total reliance on cop-

The scheme - regarded as a possible model for other export crops, and agriculture generally ~ could be an example for whatever replaces Zambia's collapsed farmer credit and marketing system. It has attracted the attention of the World Bank, the International Monetary Fund and the United Nations Food and Agriculture Organ-

Mr Melvill is general man-

ager of Lonrho Africa Agribusiness. His company provides timely supplies of seed, fertilisers, pesticides and tools at cost and on credit to 150,000 farming families tilling more than 100,000ha.

It pays a basic producer price, with bonuses linked to yields and to international prices for cotton lint.

Farmers who had become over-reliant on the state and needed retraining in land husbandry, are visited every fortnight by an extension officer whose earnings are linked to the farmers' performance:So far, repayments for 120 days credit are between 80 and 90 per cent. Repayment under the state system amounted to barely 10 per cent.

Lourho's push into cotton. which has made a big contribation to revenue of \$35m last year, up from \$3.54m in 1994, was a consequence of a 1985 foreign exchange crunch which led the com-pany into a joint venture with a government-owned ginnery in order to acquire hard currency for its other operations. It subsequently took government shares inthe ginnery and has since tripled its processing capac-

Mr Melvill believes the scheme, adapted from a World Bank model, will quadruple cotton production in the next few years and is an example of how the old government system should have worked. Meanwhile non-traditional

ally well over the past year, as has agriculture overall, due primarily to two years of good rains. The industry's contribution to gross domestic product rose last year from 16 to

23 per cent. Floriculture has reaped the benefits of imported technical know-how, lowcost off-shore loans from donor and quasi-commercial

sources, and cheap air freight following the demise of Zambia Airways - and has increased revenue from \$3m in 1992 to \$18m last year. Last month, more than 200,000 roses were produced for the UK Valentine's Day

Tobacco revenues have risen from \$3.9m in 1994 to \$10m in 1996, income from coffee production almost The World Bank believe doubled to \$4m in the same period, partly due to reduced of expanding at about 5 P world supplies brought cent a year to the year 200. about by extensive frosts in even taking into account the

are promising too at soya, groundnuts

paprika. Apart from cotton ever, the non-tradit exports are mainly the serve of about 700 cm cial farmers only just in recovering from the cre crisis that resulted from t combination of financial s tor liberalisation and mac economic stabilisation in t early 1990s. This pushed real interest rates to lev of up to 100 per cent a compound rates of up to t

per cent It is the smallholders, par ticularly in maize proof tion, who have been t most recent victims of sha changes in government a icy. Ever since the 197heavily subsidised mai production in the name food security had been a g ernment priority. During t 1980s, large numbers smallholders essential became maize outgrows for the government. The f mer provided the land a labour, the latter the input we was guaranteed prices, colle tion, storage and marketi

The farmers retain enough maize for subs tence but were obliged. " the sell any surplus to the sta



Floriculture is flourishing: rost from a CDC-manag

return were inadequate. simply did not repay l imputs loan - with little no action taken against hi By the late 1980s, maize lated subsidies accounted i as much as 16 per cent of t

national budget. "balled out" of the syste and there was such an or cry it was forced to st back in and raise credit f fertiliser. "We were damn if we did and damned if t didn't," says Mr Ernest Sic inga, permanent secretary the Agriculture Ministry.

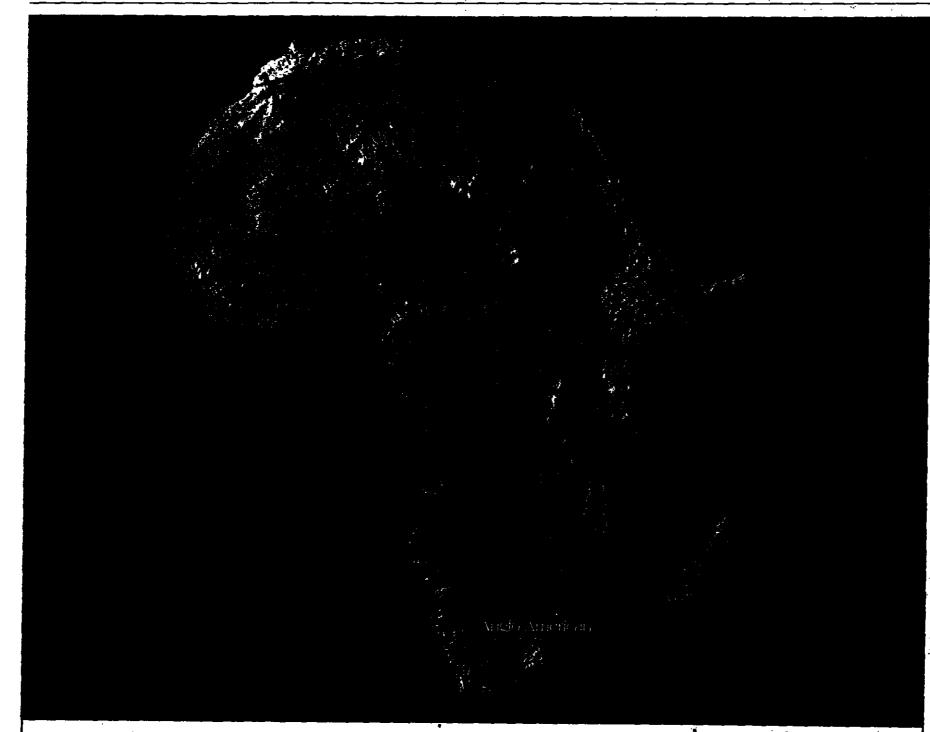
A four-year agricultu crops have done exceptiongramme, funded with \$360 from the World Bank, no aims to address the issue agricultural financing. B critics say it has become to unwieldy, too many project have been put forward, at that reforms within the agculture ministry have le many civil servants mo preoccupied with intern politics than effectir

, , , , ,

17 JA

far-reaching policy change But maize production not nearly as important as was 20 years ago and fart, ers had already started mo ing into more drought-tole ant food crops. The share maize in total plantings ha fallen from 68 per cel between 1985 and 1990 to per cent 1994-95.

All these painful changes at starting to pay off, howeve agricultural GDP is capabl South America. Prospects impact of drought.



IF YOU WANT TO DO BUSINESS IN AFRICA, YOU'LL NEED THE RIGHT CONNECTIONS

Some people think it takes courage to invest in Africa. We say it takes confidence and local knowledge that's second to none. Which is why, when it comes to helping international businesses establish a bridgehead, Anglo American is in a class of its own.

The Anglo American family of companies started many of the now established industries in Africa. Today, with names such as Daewoo, Del Monte, Mitsubishi and Ford currently involved in joint manufacturing and marketing projects, the Anglo American group is helping to transform sub-Saharan Africa into one of the world's most fertile investment regions.

In Zambia, Anglo American has been instrumental in introducing investment by a range of companies. These include SA Breweries in Zambia Breweries and Namib Milling in National Milling. The successful transformation of the Holiday Inn Lusaka Ridgeway is due to the introduction, by Anglo American, of the international management expertise of the Southern Sun/Holiday Inn groups.

In the Zambian mining sector Anglo American has formed a consortium between its associate Zambia Copper Investments and international mining houses Gencor and Falconbridge. This consortium is conducting studies which, it is hoped, will lead to the development of the Konkola Deep Mining Project.

Anglo American has long been a world class group with extensive international investments. However, our commitment to Africa remains absolute. Anglo American and its associated companies provide employment for more than 400,000 people in the sub-continent alone.

With this unique wealth of experience, it's hardly surprising that when businesses need an introduction, their first call is Anglo American.

Anglo American Corporation

For more information on Anglo American Corporation, contact our London office, 19 Charterhouse Street, London ECIN 6QP Telephone +44 171 430 3562 or Facsimile +44 171 430 3560.

THE CUTTING EDGE OF THE NEW AFRICA